Office - Supreme Court, U.S.
FILED
JAN 28 1953
HAROLD B. WILLEY, Clerk

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1952.

No. 569.

MILES SHOES INCORPORATED,

Petitioner,

—against—

R. H. MACY & COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT AND BRIEF IN SUPPORT THEREOF.

EUGENE EISENMANN,
Counsel for Petitioner.

PROSKAUER ROSE GOETZ & MENDELSOHN,
Attorneys for Petitioner,
11 Broadway,
New York 4, N. Y.

EUGENE EISENMANN,
EDWARD G. ROE,
Of Counsel.

THE COURT PRESS, N. Y. C.

INDEX.

PAGE

Petition for Writ of Certiorari to the United States Court of Appeals for the Second Circuit 1

Summary Statement of the Matter Involved 1
Petitioner's Mark 2
Respondent's Registered Mark 2
Jurisdictional Statement 4
Opinions Below 5
Facts 5

The Parties 5
Macy Registers Its Composite Trade-Mark 6
Common Usage of "Gro" in the Trade 6
Miles Applies for Trade-Mark Registration ... 8
Proceedings Below 9
Vital Findings of the Trial Court 10
Decision of the Court of Appeals 11

Questions Presented 12
Reasons Relied on for Granting the Writ 13
Prayer for Writ 17

Brief in Support of Petition for Writ of Certiorari.. 19

Opinions of Courts Below 19
Jurisdiction 19
Statement of Case 20
Relevant Provisions of Statutes and Rules Involved 20
Specification of Errors 21
Argument 22

POINT I—Macy was not entitled to a statutory monopoly in the word "Gro" alone or in combinations other than that of its registered mark 22

"Gro" Is a Word in the Public Domain 23
The Registration of Macy's Composite Mark Gave It No Right to "Gro" in Other Combinations 25

PAGE

POINT II—There could be no infringement since on the undisputed facts there was no likelihood of confusion between the owners of the respective products bearing the trade-marks 29

POINT III—The Court of Appeals violated Rule 52(a) of the Rules of Civil Procedure in disregarding the fully supported findings of the Trial Court 34

Conclusion 42

TABLE OF CASES CITED:

Alumatone Corp v. *Vita-Var Corp.*, 183 F. 2d 612 (C. C. P. A., 1950) 15, 27, 28

Best & Co., Inc. v. *Miller*, 167 F. 2d 374 (C. C. A. 2, 1948) 14n, 16, 32, 33

Charles Broadway Rouss, Inc. v. *Winchester Co.*, 300 Fed. 706 (C. C. A. 2, 1924) 16, 31

Cleo Syrup Corp. v. *Coca-Cola Co.*, 139 F. 2d 416 (C. C. A. 8, 1944), cert. den. 321 U. S. 781 .....13, 35

Coca-Cola Co. v. *Carlisle Bottling Works*, 43 F. 2d 119 (C. C. A. 6, 1930), cert. den. 282 U. S. 882 ... 15

Curtis-Stephens-Embry Co. Inc. v. *Pro-Tek-Toe Skate Stop Co. Inc.*, 199 F. 2d 407 (C. A. 8, Oct., 1952) 8n, 24

Dixi-Cola Laboratories, Inc. v. *Coca Cola, Co.*, 117 F. 2d 352 (C. C. A. 4), cert. den. 314 U. S. 629..22, 23

Durable Toy & Novelty Corp. v. *J. Chein & Co.*, 133 F. 2d 853 32

PAGE

Eastern Wine Corp. v. *Winslow-Warren, Ltd.*, 137 F. 2d 955 (C. C. A. 2, 1943), cert. den. 320 U. S. 758, 14n, 15, 28

Gort Girls Frocks, Inc. v. *Princess Pat Lingerie, Inc.*, 73 F. Supp. 364 (S. D. N. Y., 1947) 26

Johnson v. *New York, New Haven & Hartford R. Co.*, 344 U. S. 48 (Nov. 17, 1952) 14

Kellogg Co. v. *National Biscuit Co.*, 305 U. S. 111 (1938) 16, 29

Lucien Lelong, Inc. v. *Lenel, Inc.*, 181 F. 2d 3 (C. A. 5, 1950) 13, 27, 35

Merritt-Taylor Inc. v. *C. B. Shane Corp.*, 195 F. 2d 535 (C. C. P. A., 1952) 15, 28

Occidental Life Insurance Co. v. *Thomas*, 107 F. 2d 876 40

Parfumerie Roger & Gallet v. *John Wanamaker*, 24 F. 2d 698 (C. C. A. 2, 1928) 15, 27

Pepsi-Cola Co. of Canada, Ltd. v. *Coca-Cola Co. of Canada Ltd.* (1940), 1 D. L. R. 161 15

Prestonettes, Inc. v. *Coty*, 264 U. S. 359 .....16, 32

Rytex Co. v. *Ryan*, 126 F. 2d 952 (C. C. A. 7, 1942), 15, 27, 35

S. R. Feil Co. v. *John E. Robbins Co.*, 220 Fed. 650 (C. C. A. 7, 1915) 15, 26, 27

Standard Paint Co. v. *Trinidad Asphalt Mfg. Co.*, 220 U. S. 446 ..... 23n

Steem Electric Corp. v. *Herzfeld-Phillipson Co.*, 118 F. 2d 122 ..... 23n

PAGE

Triangle Publications, Inc. v. *Rohrlich*, 167 F. 2d 969 (C. C. A. 2, 1948) 14, 16, 41

United Drug Co. v. *Theodore Rectanus Co.*, 248 U. S. 90 ..... 16, 29

United States v. *Aluminum Company of America*, 148 F. 2d 416 37

OTHER AUTHORITIES CITED:

Act of July 5, 1946, c. 540, Title I, § 21 (U. S. C. Title 25, § 1071) 9, 20

Act of June 25, 1948, c. 646, 62 Stat. 928, 961 as amended by Act of May 24, 1949, c. 139, 63 Stat. 104 (U. S. C. Title 28, §§ 1254 and 2101) 5, 19

American Law Institute, Restatement of Torts, § 728 ..... 16, 29
Comment a, page 591 ..... 34n
Comment b, page 591 ..... 38, 39

Federal Rules of Civil Procedure:
Rule 52(a) 3, 4, 11, 13, 20, 21, 34, 36, 37, 41

Ilsen and Hone, "Federal Appellate Practice as Affected by the Rules of Civil Procedure" in Federal Rules of Civil Procedure with Approved Amendments (1947 Rev. Ed., West Publishing Co.), page 422, footnote 240 ..... 13, 14, 37, 38

Lanham Act of 1946 (U. S. C. Title 15, §§ 1051, *et seq.*) 25n

PAGE

Nims, Unfair Competition and Trade-Marks, 4th Ed.:
Page 689 ..... 15, 28
Section 221g, pages 683-4 ..... 15, 23

Proceedings of the Institute on Federal Rules of Civil Procedure held at Cleveland (American Bar Association, 1939):
Page 318 ..... 13, 36
Page 383 ..... 13, 34

Proceedings of the Institute on Federal Rules of Civil Procedure held at New York, page 287 .... 34, 35

Revised Statutes as amended, § 4915 (U. S. C. Title 35, § 63) 9, 20

Shoe and Leather Reporter, "Directory Issue of Trade Marks and Trade Names", for May 1, 1948 and May 27, 1950 ..... 7, 24

Trade-Mark Act of 1905 25

Trade-Mark Laws of the United States (U. S. C. Title 15, §§ 81 *et seq.*) 20

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1952.

No. .

MILES SHOES INCORPORATED,

Petitioner,

—against—

R. H. MACY & COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT.

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, MILES SHOES INCORPORATED (now consolidated into Melville Shoe Corporation), respectfully shows:

SUMMARY STATEMENT OF THE MATTER INVOLVED.

Petitioner prays for a writ of certiorari to review the decision of the United States Court of Appeals for the Second Circuit reversing a judgment of the District Court (which had been in favor of petitioner) and granting respondent on its counterclaim an injunction against petitioner's use of its trade-mark "Gropals" (R. 180). The District Court in an action brought by petitioner (hereinafter generally referred

to as "Miles") had granted a declaratory judgment, that its said trade-mark did not infringe upon the earlier registered mark "Gro- (representation of a tree) Shoe" of respondent (referred to as "Macy"), and that petitioner was accordingly entitled to have "Gropals" registered in the United States Patent Office (R. 107-111).

PETITIONER'S MARK

GROPALS

RESPONDENT'S REGISTERED MARK

The Court of Appeals, overruling the finding of the Trial Court that there was no confusing similarity (R. 107-110), assumed to decide this question *de novo* (R. 178).

The case presented only a question of technical trade-mark. *There was no claim of passing off or other unfair competition* (R. 107). The marks in question were owned and used solely by the two parties, each of which operates well-known retail stores, prominently displaying their respective names (R. 24, 29-30, 108). Both marks were applied to children's shoes sold *only* in the respective retail stores of the parties (R. 110). Petitioner's mark was invariably used in conjunction with the word "Miles", and respondent's mark with "R. H. Macy" (R. 108, 109).

Concededly, the only similarity between the marks was the inclusion in both of "Gro"—phonetic equiva-

lent of "Grow"—indicating the growing persons for whom the shoes were intended (R. 81). Yet the Court of Appeals by its decision granted Macy a monopoly of this commonly used word.

It was undisputed that "Gro" or "Grow" had been used in some 47 other trade-marks, for shoes and other apparel, registered both *before and after* the adoption by Macy of its mark "Gro- (representation of a tree) Shoe" (R. 23, 167-168). Among such marks for shoes and the like held by others are "Gro-Nups", "Gro-Rite", "Gro-Cord", "Groco", "Grow Right"—all of them earlier than Macy's mark (R. 137, 141, 146, 148, 149).

Although Miles "Gropals" had been continuously in use for six years (R. 35), it was admitted that no instance was known where a product bearing this mark had been confused as a product of Macy (R. 70, 105), and it was also conceded that no one was likely to confuse the Miles shoe stores with Macy's department store—the only places where products bearing the marks here in question were sold (R. 98, 73, 110).

The Trial Court accordingly found there was no likelihood of confusion between the two marks (R. 107, 110) and held there was no infringement (R. 111).

The Court of Appeals, in reversing the Trial Court and overruling its finding of fact on the single issue of probable confusion, stated (R. 178): "we are in as good a position as the trial judge to determine the probability of confusion". This assumed a right of *de novo* determination of facts contrary to Rule 52(a) of the Rules of Civil Procedure, which forbids reversal

of findings "unless clearly erroneous"—*i. e.*, against the clear weight of evidence.

Faced with the circumstance that many other "Gro" trade-marks had been registered, both before and after Macy's (R. 23, 141-167), the Court of Appeals minimized this with the erroneous statement that except for "Gro-Nups" there was no evidence of the "use" of such marks (R. 179). This overlooked the principle that registration itself was evidence of prior user, such use being a statutory prerequisite to registration, and that the 47 other registrations (R. 23) negatived any exclusive right in Macy to "Gro" as such and established it as a word in the common domain.

Faced with the conceded fact that the public would not confuse the products or stores of the two retailers, the only places where the trade-marks involved were used (R. 98, 73, 110), the Court of Appeals found infringement on the theory that there might be confusion "as to whether the same manufacturer had made the goods" (R. 179). Quite apart from the lack of any such evidence, this theory ignores the principle that a *retailer's* trade-mark indicates nothing about the manufacturer but merely identifies the retailer. Once it appears that the goods bearing the respective marks will not be confused as coming from the same retailer, the claim of infringement falls.

Jurisdictional Statement.

The judgment of the Court of Appeals was entered on November 3, 1952; a petition for rehearing was denied on November 25, 1952 (R. 183-205). Juris-

diction to review this case upon writ of certiorari is expressly conferred upon this Court by Act of June 25, 1948, c. 646, 62 Stat. 928, as amended by Act of May 24, 1949, c. 139, 63 Stat. 104 (U. S. C. Title 28, §§ 1254 and 2101).

Opinions Below.

The Court of Appeals wrote an opinion (R. 177-180) reported in 199 F. 2d 602. The opinion of District Judge John F. X. McGohey is not reported but appears in the Transcript of Record (R. 107-111).

Facts.

The evidentiary facts are not disputed. They were established by unquestioned documents, stipulations of the parties or uncontroverted testimony and admissions. The Trial Court's findings succinctly summarize the basic facts (R. 107-110). None of these findings was reversed by the Court of Appeals, except the ultimate finding that there was no likelihood of confusion between the marks of the respective parties (R. 110).

The Parties.

Plaintiff (hereinafter referred to as "Miles") owns a well-known chain of 145 retail shoe stores in New York, Connecticut, New Jersey and Pennsylvania operated under the name "Miles", which is prominently displayed on the outside of the stores and is featured in all its advertising (R. 107-108, Findings 2, 3). Defendant (hereinafter referred to as "Macy") operates the largest department store in the world in

the City of New York, and others in New Jersey, Georgia, Ohio, Missouri and California (R. 108, Finding 11). Plaintiff's shoes are sold only through plaintiff's stores, and defendant's shoes are sold only through defendant's stores (R. 108-109, Finding 26).

Macy Registers Its Composite Trade-Mark.

In 1924 Macy registered for growing children's shoes "a trade-mark consisting of the syllable 'Gro' followed by the representation of a tree, followed by the word 'Shoe'" (R. 108, Finding 7). The trade-mark application stated that the mark had been used since May of that year, "no claim being made to the word 'Shoe' apart from the mark as shown" (Ex. 1, R. 128).

The word "Gro" as used in the mark is a phonetic spelling of the word "Grow". Macy's counsel admitted that Macy's mark means "a shoe for children that are growing" (R. 81, fol. 241).

Common Usage of "Gro" in the Trade.

Prior to the adoption and registration by Macy of its mark, other sellers or manufacturers of shoes or shoe-soles had adopted, used and registered trade-marks involving the prefix "Gro-", or its phonetic equivalent "Grow". All of the following were in force at the time of Macy's registration:

GRO-NUPS (registered 1918, renewed 1938, W. H. Hahn & Co.; R. 146).

GRO-RITE (registered 1920, Maryland Shoe Corp.; R. 141, 145).

GRO-CORD (registered 1921, renewed 1941, Lima Cord, Heel & Sole Co.; R. 149).

GROCO (registered 1923, renewed 1942, C. A. Grosvenor & Co.; R. 148).

GROW RIGHT (registered 1921, S. J. Brouwer Shoe Co.; R. 137).

GROWING GIRL (registered 1908, V. K. & A. H. Jones Co.; R. 150).

GROWING QUEEN (registered 1922, renewed 1942, Thomas G. Plant Co.; R. 147).

After Macy's registration in 1925, a number of additional trade-marks for shoes or shoe soles using "Gro" were registered by others, including "GRO-CREPE", "GRO-SPORT", "GRO-CORK" and "GRO-DAILY HEALTH SHOES", some as recently as 1948 and 1949 (EX. 29, R. 167-168).

Further, the well known trade journal *Shoe and Leather Reporter* in its *"Directory Issue of Trade Marks and Trade Names"* for May 1, 1948 and May 27, 1950, lists among current trade-marks for shoes or shoe-soles (Exs. 25 and 26, R. 165, 166, 22). The actual exhibits show:

GRO-CORD, GRO-CORK, GRO-CREPE and GRO-SPORT (Gro-Cord Rubber Co., shoe-sole manufacturer).

GRO-RITE (Wiggletoe Shoe Co., Newark, N. J., shoe manufacturer).

GRO-DAILY HEALTH SHOES (Goldblatt Bros., Chicago department store).

GRO RIGHT (S. J. Brouwer Shoe Co., shoe wholesaler).

GROWING QUEEN (Queen Quality Shoe Co., shoe manufacturer).

In addition to its use for shoes, "Gro" has commonly been used by many companies as part of composite trade-marks to indicate other types of apparel for growing persons, as "Gro-Along", "Gro-Tall", "Growaist", to mention but a few. A stipulated compilation of 47 trade-mark registrations including the combination "Gro" was admitted in evidence (R. 23; Ex. 29; R. 167-168, 43).*

Miles Applies for Trade-Mark Registration.

In 1945 Miles adopted the mark "Gropals" for certain of its shoes and related items. As the Trial Court found, goods bearing Miles' trade-mark "are sold only in its 'Miles' Shoe Stores, and the words 'Gropals' and 'Miles' always appear in close proximity to each other on plaintiff's products and in its advertising" (R. 109).

In 1945 Miles filed an application to register its trade-mark. After the mark had been passed to publication in the official United States Patent Office Gazette of July 16, 1946, Macy appeared and successfully opposed registration (R. 109-110).

This was in accordance with recent attempts of Macy to prevent others from entering the "Gro" field by interposing opposition to registrations (R. 32). Miles was not prepared to surrender to Macy's monopolistic pretensions, as had some smaller firms.

---

* The Court of Appeals erroneously stated that the only evidence of "use" of other "Gro" marks was of William H. Hahn & Co.'s "Gro-Nups". No such contention was made by Macy at the trial, and, quite apart from other evidence, the registration certificates were themselves *prima facie* evidence of prior use at the time of their respective registrations (*Curtis-Stephens-Embry Co. Inc.* v. *Pro-Tek-Toe Skate Stop Co. Inc.*, 199 F. 2d 407 at 414 [C. A. 8, Oct., 1952]).

Proceedings Below.

In accordance with the statute (25 U. S. C., § 1071 and 35 U. S. C., § 63), Miles promptly instituted a plenary suit in the District Court for a declaratory judgment that its "Gropals" did not infringe upon Macy's "Gro- (representation of a tree) Shoe" and that it was accordingly entitled to registration. Miles also attacked the validity of Macy's mark (R. 2-7).

Macy counterclaimed, demanding an injunction against the use of "Gropals" and claiming an infringement of its registered mark "Gro- (representation of a tree) Shoe" for shoes and a common-law mark "Gro-Sock" for hosiery.

There was no claim of imitation of Macy's packaging or any form of "passing off".

As the Court pointed out, Macy's pleading allegation of unfair competition was abandoned at the trial, and the sole question was one of technical infringement of Macy's registered mark (R. 107).

No evidence was offered at the trial (had in 1951) of any actual confusion, although it was stipulated that Miles' mark had been in continuous use for six years (R. 35). On the contrary, any likelihood of confusion was negatived by the testimony of Macy's own employees, who admitted that they had never heard of an instance where plaintiff's "Gropals" had been confused as Macy's product (R. 70, fol. 210). They testified that customers for Macy's "Gro (representation of a tree) Shoes", a relatively expensive line, were a highly intelligent group of

parents or guardians who exercised great care in making such purchases (R. 73, 69, 71).

Since it was undisputed (and the Trial Court so found) that Macy's mark, invariably associated with its corporate name (R. 73, fol. 217; R. 109), was used only on shoes sold through its own stores, and Miles' mark was used only on merchandise sold in the Miles stores (Findings 10, 17, 26; R 108, 109, 110), the following concession of Macy's counsel (and also by a Macy witness, R. 73) was significant:

> "I agree that nobody will go into a Miles Shoe Store by mistake, thinking it is Macy's" (R. 98, fol. 292).

Vital Findings of the Trial Court.

The Trial Court stated in its opinion (R. 107):

> "It was, in effect at least, conceded that the only issue here is whether plaintiff's mark is so confusingly similar to defendant's as to be likely to confuse 'an appreciable number of prospective purchasers of the goods'. On that issue of fact, as hereafter appears, I find for the plaintiff."

The Trial Court expressly found as fact (Findings 21-25, R. 110):

> "Purchasers of children's footwear are parents or other guardians who are particularly careful. They exercise considerable attention and inspect clothes closely.
>
> "The marks 'Gropals' and 'Gro (representation of a tree) Shoe', 'Gro-Shoe' and 'Gro-Sock' are dissimilar in sound and pronunciation.
>
> "They are dissimilar in appearance.

> "Insofar as they suggest meanings, such meanings are dissimilar."

These findings, and others already mentioned, required the Trial Court's final Finding of Fact No. 27:

> "Prospective purchasers using ordinary intelligence and care would not be likely to confuse plaintiff's mark with defendant's marks" (R. 110).

The Court, while holding valid Macy's registered mark, granted a declaratory judgment that Miles' "Gropals" did not infringe and that Miles was entitled to registration of "Gropals" (R. 111).

Decision of the Court of Appeals.

The Court of Appeals reversing, held there was infringement and granted an injunction restraining Miles from using the mark "Gropals" on its products (R. 177-180). Thereby, the Court granted Macy a monopoly of "Gro-"* in connection with apparel. For, concededly, the only similarity between Miles' and Macy's marks was the inclusion in both of this prefix.

To reach this result, the Court of Appeals disregarded Rule 52(a) of the Rules of Civil Procedure as to the limited review of trial court findings, arrogating to itself the power to decide *de novo* the basic issue of fact, saying (R. 178):

> "we are in as good a position as the trial judge to determine the probability of confusion."

---

* Presumably also of its phonetic synonym "Grow".

The Court of Appeals expressly recognized the dissimilarity in appearance of the two marks and the fact that there was no likelihood of confusion between their sole owners and users—the Macy and Miles retail stores. Yet it held there was infringement on the theory (without a scintilla of evidence) that "confusion as to whether the same *manufacturer* had made the goods seems to us likely" (R. 179). (Italics ours.)

This was a basic misconception of trade-mark law. As the marks in question identified only *retailers* and did not purport to indicate anything about the manufacturer, there was no basis for a claim of infringement once it appeared that Miles "Gropals" would not be confused as a Macy product.

Questions Presented.

On the basis of the foregoing, petitioner desires this Court to review the following questions:

1. Whether Macy was entitled to a monopoly of the common generic word "Gro" (meaning "Grow") despite the fact that Macy's registered mark was a pictorial composite "Gro- (representation of a tree) Shoe", and that "Gro" in other combinations had been previously and subsequently adopted in many other marks for shoes and apparel.

2. Whether infringement of a retailer's mark can properly be based on the possibility (without any evidence to support it) that there might be confusion as to who was the manufacturer, even though there was admittedly no likelihood of confusion between the only parties identified by the marks—the retailers, Macy and Miles.

3. Whether, under Rule 52(a) of the Federal Rules of Civil Procedure, the Court of Appeals may decide *de novo* the fact issue of confusing similarity, where the Trial Court's finding of fact that there is no likelihood of confusion is supported by substantial evidence and is not based on any misconception of law.

4. Whether the reversal of the judgment of the Trial Court by the Court of Appeals and the issuance of an injunction against petitioner's use of "Gropals" was warranted.

REASONS RELIED ON FOR GRANTING THE WRIT.

1. The assumption by the Court of Appeals of the power to decide *de novo* the factual issue of confusing similarity and its reversal of the contrary finding by the Trial Court disregarded Rule 52(a) of the Rules of Civil Procedure, which forbids setting aside of such findings unless "clearly erroneous"—*i. e.*, not supported by substantial evidence. Here the Trial Court's finding was supported by *all* the evidence.

What the Court of Appeals has done is to create an unwarranted exception to Rule 52(a).

The view of the Court of Appeals is contrary to the Notes to Rule 52(a) of the Advisory Committee and to its expressed opinions (*Proceedings of the Institute on Federal Rules of Civil Procedure held at Cleveland*, pp. 318, 383); to decisions in other Circuits (*Cleo Syrup Corp.* v. *Coca-Cola Co.*, 139 F. 2d 416, 417 [C. C. A. 8, 1944], cert. den. 321 U. S. 781; *Lucien Lelong, Inc.* v. *Lenel, Inc.*, 181 F. 2d 3, 5 [C. A. 5, 1950]), and to the policy of the Rules (Ilsen and Hone, "*Federal Appellate Practice as Affected by the Rules of Civil Procedure*" in FEDERAL RULES OF CIVIL

PROCEDURE WITH APPROVED AMENDMENTS [1947 Rev. Ed., West Publishing Co.], page 422, footnote 240).

Had the Court of Appeals restricted itself to its proper review function, it would have avoided errors of fact and could not have reversed the judgment below.

But quite apart from the injustice to this petitioner, the practice of the Court of Appeals to redetermine *de novo* the fact issue of confusing similarity in trade-mark cases has encouraged appeals and involved it in inconsistent decisions*—depending on what judges may be sitting. This inconsistency has been criticized by a member of that Court (see Frank, *J.*, in *Triangle Publications, Inc.* v. *Rohrlich*, 167 F. 2d 969 at 981 [C. C. A. 2, 1948]).

The only remedy is for this Court to remind the Court of Appeals of its limited function as regards issues of fact.

> "Not the least important business of this Court is to guide the lower courts and the Bar in the effective and economical conduct of litigation. That is what is involved in this case. The immediate issue is the construction of one of the important Rules of Civil Procedure" (Frankfurter, *J.* [dissenting] in *Johnson* v. *New York, New Haven & Hartford R. Co.*, 344 U. S. 48 at 55, Nov. 17, 1952).

2. The decision of the Court of Appeals granting Macy a monopoly of the word "Gro", although its trade-mark was a pictorial composite "Gro- (repre

---

* Compare with the instant decision the following cases: *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.*, 137 F. 2d 955 (C. C. A. 2, 1943); *Best & Co., Inc.* v. *Miller*, 167 F. 2d 374 (C. C. A. 2, 1948).

sentation of a tree) Shoe" and "Gro" was a commonly used word in the trade included in many other marks registered before and after Macy's, is in conflict with the decisions of other Circuits, with those of the Court of Customs and Patent Appeals, and with well-established principles of trade-mark law.

Coca-Cola Co. v. *Carlisle Bottling Works,* 43 F. 2d 119 (C. C. A. 6, 1930), cert. den. 282 U. S. 882—"Coca-Cola" and "Roxa-Kola";

Rytex Co. v. *Ryan,* 126 F. 2d 952 (C. C. A. 7, 1942)—"Rytex Deckle Edge Vellum" and "Rynart Deckle Edge Vellum" for stationery;

S. R. Feil Co. v. *John E. Robbins Co.,* 220 Fed. 650 (C. C. A. 7, 1915)—"Sal-Vet" and "Sal-Tone" for medicine;

Alumatone Corp. v. *Vita-Var Corp.,* 183 F. 2d 612 (C. C. P. A., 1950)—"Alumatone" and "Alumikote" for paints;

Merritt-Taylor Inc. v. *C. B. Shane Corp.,* 195 F. 2d 535 (C. C. P. A., 1952)—"Season Skipper" and "Season Aire" for coats;

Eastern Wine Corp. v. *Winslow-Warren, Ltd.,* 137 F. 2d 955 (C. C. A. 2, 1943), cert. den. 320 U. S. 758—"Chateau Martin" and "Chateau Montay" wine.

See, *Parfumerie Roger & Gallet* v. *John Wanamaker,* 24 F. 2d 698, 699 (C. C. A. 2, 1928)—"Fleurs d'Amour" and "Charme d'Amour" for perfume;

Pepsi-Cola Co. of Canada, Ltd. v. *Coca-Cola Co. of Canada, Ltd.* [1940], 1 D. L. R. 161, 173;

Nims, Unfair Competition and Trade-Marks, 4th Ed., pp. 683-4, 689.

The extension of a trade-mark monopoly beyond the registered mark and beyond what may be necessary to prevent passing off presents an important question of public policy which should be determined by this Court (*Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, 119 [1938]). This is not a matter of a single stray decision of the Second Circuit disregarding earlier decisions. It represents a definite attitude on the part of certain of the judges of that Court. (See Frank, *J.*, in *Triangle Publications, Inc.* v. *Rohrlich*, 167 F. 2d 969 at 974, 982 [C. C. A. 2, 1948].)

3. The decision of the Court of Appeals that, despite the absence and unlikelihood of confusion between the retailers (the only sources identified by the marks), infringement may be based on an assumed possibility of confusion as to manufacturer, is in conflict with the previous decisions of the same Court of Appeals (*Best & Co., Inc.* v. *Miller*, 167 F. 2d 374 [C. C. A. 2, 1948]; *Charles Broadway Rouss, Inc.* v. *Winchester Co.*, 300 Fed. 706 [C. C. A. 2, 1924]), with the decisions of this Court as to the function and scope of trade-mark protection (*Prestonettes, Inc.* v. *Coty*, 264 U. S. 359, 368; *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 97), and with the well-established principle that a trade-mark protects only against confusion with *the source identified* by the mark (*American Law Institute, Restatement of Torts*, § 728).

The case presents a very important upsetting of trade-mark law that should be finally determined by this Court.

4. The decision herein should be reviewed because of the injustice done to Miles and the unwarranted

monopoly given to Macy, although there was no evidence of confusion despite Miles use of its mark for six years.

Prayer for Writ.

Wherefore, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Court to the United States Court of Appeals for the Second Circuit commanding said last named Court to certify and send to this Honorable Court a full and complete transcript of the record of all proceedings in the within cause and to stand to and abide by such order and direction as to your Honors shall seem meet and the circumstances of the case require, and that your petitioner may have such other and further relief or remedy in the premises as to this Court may seem proper.

Dated: New York, N. Y., January 27, 1953.

Eugene Eisenmann,
Counsel for Petitioner.

Proskauer Rose Goetz & Mendelsohn,
Attorneys for Petitioner,
11 Broadway,
New York 4, N. Y.

Eugene Eisenmann,
Edward G. Roe,
Of Counsel.

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1952.

No. .

MILES SHOES INCORPORATED,

Petitioner,

—against—

R. H. MACY & COMPANY, INC.,

Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of Courts Below.

The opinion of the District Court is not reported but appears in the transcript of record (R. 107-111).

The opinion of the Court of Appeals for the Second Circuit (R. 177-180) is reported in 199 F. 2d 602.

Jurisdiction.

Jurisdiction to review this case on writ of certiorari is expressly conferred on this Court by Act of June 25, 1948, c. 646, 62 Stat. 928, 961 as amended by Act of May 24, 1949, c. 139, 63 Stat. 104 (U. S. C. Title 28, §§ 1254, 2101).

Statement of Case.

A sufficient statement of the case will be found in the accompanying petition, and in the interest of brevity will not be repeated.

Relevant Provisions of Statutes and Rules Involved.

This action arises under the Trade-Mark Laws of the United States (U. S. C. Title 15, §§ 81 *et seq.*), and is brought under the Act of July 5, 1946, c. 540, Title I, § 21 (U. S. C. Title 25, § 1071), and § 4915 of the Revised Statutes as amended (U. S. C. Title 35, § 63).

An important question presented is the construction of Rule 52(a) of the Rules of Civil Procedure reading, so far as here pertinent, as follows:

> "In all actions tried upon the facts without a jury, the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. * * * *Findings of fact shall not be set aside unless clearly erroneous,* and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." (Italics ours.)

Specification of Errors.

The Court of Appeals erred as follows:

(1) In granting Macy an unwarranted monopoly of the common generic word "Gro" (meaning "Grow"), despite the undisputed evidence that its registered mark was a pictorial composite "Gro- (representation of a tree) Shoe" and that the "Gro" had been previously used and was continuing to be used by many persons for shoes and other products.

(2) In holding as the basis for infringement of a retailer's mark the possibility (without any evidence to support it) that there might be confusion as to who was the manufacturer, even though admittedly there was no likelihood of confusion between the only parties identified by the marks—the retailers, Macy and Miles.

(3) In disregarding Rule 52(a) of the Rules of Civil Procedure by deciding *de novo* an issue of fact on which the Trial Court had made findings, instead of confining itself to a review to determine whether such findings were supported by adequate evidence.

ARGUMENT.

POINT I.

Macy was not entitled to a statutory monopoly in the word "Gro" alone or in combinations other than that of its registered mark.

This case involved only technical trade-marks. There was no element of passing off or other form of unfair competition. The evidence affirmatively showed there had been no confusion (R. 70, 98, 105).

The only similarity between the two marks was the use in both of "Gro" (R. 124, 128).

PETITIONER'S MARK

GROPALS

RESPONDENT'S REGISTERED MARK

Unless Macy's registration gave it a statutory monopoly of "Gro" in all combinations, the judgment below cannot stand.

In *Dixi-Cola Laboratories, Inc.* v. *Coca Cola, Co.*, 117 F. 2d 352, 355 (C. C. A. 4), cert. den. 314 U. S. 629, the Court stated the rule:

> "There are many cases which hold that it is not infringement for a trader to use as part of

his trade name to designate his product a descriptive or generic word which has already been adopted by another, provided that the competing marks, taken as a whole, are clearly distinguishable."

"Gro" Is a Word in the Public Domain.

It was undisputed at the trial that both before and after Macy's adoption of its mark, other companies had adopted, used and registered trade-marks including "Gro" and its phonetc synonym "Grow". Some 47 other registrations of this sort were put in evidence (Ex. 29, R. 23, fol. 68; R. 167-168). Among these "Gro" marks many related to shoes and shoe-soles e. g. "Gro-Nups", "Gro-Rite", "Gro-Cord", "Gro-Crepe", "Gro-Sport", "Gro-Daily Health Shoes", "Grow-Right", to mention but a few (Exs. 1-A to 1-H, 25, 26, 29; R. 141-151, 165-168). The word "Gro", a phonetic equivalent of "Grow" was clearly in the public domain.*

As stated by Nims, UNFAIR COMPETITION AND TRADE-MARKS (4 ed.), § 221g, pp. 683-4:

> "A word in the public domain cannot by itself serve as a trade-mark unless it has acquired a secondary meaning. If, therefore, the part of a trade-mark appropriated is common property there can be no infringement unless that part, standing alone, has acquired a secondary meaning."

---

* It is well settled that mere use of a phonetic spelling or misspelling of a common word does not give a right to monopolize such word (*Standard Paint Co.* v. *Trinidad Asphalt Mfg. Co.*, 220 U. S. 446, 455; *Steem Electric Corp.* v. *Herzfeld-Phillipson Co.*, 118 F. 2d 122, 126).

The instant case is totally devoid of any finding of secondary meaning—or of any evidence that the combining form "Gro" connotes only, or was exclusively used by, Macy. The evidence was all to the contrary.

The ground on which the Court of Appeals disregarded the long line of "Gro" trade-marks was the erroneous assumption that "the only evidence of *use* of such a trade-mark was by William Hahn & Co.—'Gro-Nups'" (R. 179).*

At the trial use was undisputed and actually proved. A compilation of 47 "Gro" trade-mark registrations (many as recent as 1948 and 1949) was admitted in evidence (R. 167-168, 43), on the basis of a pre-trial stipulation conceding authenticity (R. 22, 23, fols. 65, 68). Since prior *use* is a statutory prerequisite to registration,

> "The copies of the registrations offered did show what the marks were applied to, where the registrant's place of business was, and a recital of how long before the date of application the mark had been in use" (*Curtis-Stephens-Embry Co. Inc.* v. *Pro-Tek-Toe Skate Stop Co. Inc.*, 199 F. 2d 407, 414 [C. A. 8, Oct., 1952]).

The registrations and renewals were *prima facie* evidence at least of use at the time of registration. The listing in the 1948 and 1950 Directory Issues of *"Shoe and Leather Reporter—Trade-Mark and Trade-Names Section"*, was additional proof of cur-

---

* The hasty assumption on the part of the Court of Appeals that only Hahn's "Gro-Nups" were being used, was perhaps due to the fact that a pair of "Gro-Nups" shoes was put in evidence. It surely was not necessary for Miles to go to the expense of buying merchandise representing each of the 47 registered marks, when Macy never questioned at the trial their continued use.

rent use (Exs. 25 and 26, R. 22). Significantly, Macy never contended at the trial that these "Gro" trademarks were not being used.

Moreover, even if some of the 47 marks had ceased to be active, their adoption and registration, prior and after Macy's mark, was evidence that "Gro" was a word of general application in the apparel and shoe trade, not exclusively associated with Macy, nor subject to its exclusive appropriation (R. 86). Hence Miles was entitled to use it in its otherwise different mark.

The Registration of Macy's Composite Mark Gave It No Right to "Gro" in Other Combinations.

What Macy registered was the *composite pictorial* mark "Gro- (representation of a tree) Shoe" under the Trade-Mark Act of 1905.*

At the time of registration Macy claimed only "the mark as shown", and expressly disclaimed the word "shoe" alone (R. 128). Macy asserted no claim to "Gro-" alone, for that word was obviously descriptive or generic and there were *other prior* registered trade marks for shoes including "Gro-" as a combining prefix.

Macy doubtless included the pictorial representation of a tree to avoid the danger that the verbal "Gro-Shoe" alone might have been denied registration as descriptive or because there were previous registrations for shoes of marks containing the prefix "Gro-".

---

* Macy did *not* obtain re-registration under the Lanham Act of 1946 (U. S. C. Title 15, §§ 1051, *et seq.*) (R. 178).

Having obtained registration for a *pictorial composite,* Macy's cannot claim a statutory monopoly for each separate part of the combination. To sustain Macy is to hold that a descriptive or generic word in the public domain, not itself registrable as a trademark, could be exclusively appropriated by the simple device of registering a composite mark which included that word as a part.

In *Gort Girls Frocks, Inc.* v. *Princess Pat Lingerie, Inc.,* 73 F. Supp. 364 (S. D. N. Y., 1947), the Court (Caffey, *J.*) held there was no infringement of a composite pictorial mark registered by plaintiff, although the verbal part "Princess Pat" was subsequently used by defendant. The Court pointed out (pp. 370-371):

> "The mark thus registered does not consist of the words 'Princess Pat' alone but of those words in conjunction with a fanciful or arbitrary device. It is a composite mark. Plaintiff's claim is that defendant infringes by using the words 'Princess Pat' alone and not by using the entire trade-mark. But a composite mark constitutes a symbol. It must be considered as an entirety. It cannot be dissected and infringement claimed of only one of the pieces."

In *S. R. Feil Co.* v. *John E. Robbins Co.,* 220 Fed. 650, 651-2 (C. C. A. 7, 1915) plaintiff had registered "Sal-Vet" for a remedy, and a competitor adopted "Sal Tone" for a similar remedy, the Court held there was no infringement, since the only part of plaintiff's mark adopted was "Sal", a word in the public domain:

> "In the present case defendant has appropriated

only the term 'Sal' which he and every one else was at liberty to use."

Accord: *Rytex Co.* v. *Ryan*, 126 F. 2d 952 (C. C. A. 7, 1942)—"Rytex Deckle Edge Vellum" and "Rynart Deckle Edge Vellum" for stationery.

Similarly, in *Parfumerie Roger & Gallet* v. *John Wanamaker*, 24 F. 2d 698, 699 (C. C. A. 2, 1928), the Court held "Bouquet des Amours" and "Fleurs d'Amour" not infringed by another perfume "Charme d'Amour", writing:

> "*Prima facie,* the source or origin of the products sold under them is indicated by the mark *taken as a whole;* one who uses less than the whole may perhaps infringe, but, if so, it must appear that the part he has taken identifies the owner's product without the rest * * * We have no antecedent reason to assume that the word 'Amour' alone meant Roger & Gallet; it had been often applied to perfumes before and its appropriateness is plain at a glance." (Italics ours.)

Accord: *Lucien Lelong, Inc.* v. *Lenel, Inc.*, 181 F. 2d 3 (C. A. 5, 1950)—"Balaiza" and "Bellezza" for perfume.

In *Alumatone Corp.* v. *Vita-Var Corp.*, 183 F. 2d 612, 615 (C. C. P. A., 1950), the Court of Customs and Patent Appeals (overruling the Commissioner of Patents) held that "Alumatone" was entitled to registration desipte the prior registration of "Alumikote" for the same type of product:

> "We think we may take judicial notice of the widespread use of terms indicating or suggesting

> the presence of aluminum, such as 'Aluma' and 'Alumi'. Therefore, it necessarily follows that we must hold such and similar expressions to be in the public domain. Because, in our judgment, the last syllables of the marks of the parties are so distinctly different, as hereinbefore noted, and the marks considered as a whole differ in appearance, sound and meaning, it necessarily follows that we reverse the decision of the commissioner and hold that the mark of appellant is entitled to registration."

Accord: *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.*, 137 F. 2d 955 (C. C. A. 2, 1943), cert. den. 320 U. S. 758—"Chateau Martin" and "Chateau Montay" for wine.

See also: *Merritt-Taylor Inc.* v. *C. B. Shane Corp.*, 195 F. 2d 535 (C. C. P. A., 1952)—"Season Skipper" and "Season Aire" for coats.

In the instant case it affirmatively appeared that there had been no confusion between Macy's trademark and Miles' "Gropals" which had been in continuous use for some six years prior to the trial (R. 35, 70, 73, 98, 105).

Moreover, as Nims, UNFAIR COMPETITION AND TRADE-MARKS (4th ed.), points out (p. 689):

> "When confusion is due solely to the fact that both trade-marks contain some word that each party is entitled to use, then the owners have only themselves to blame. They are damaged because they failed to adopt distinctive trade-marks." (Citing numerous cases.)

Miles having so marked its product that there was no confusion with Macy's, Macy has no ground for complaint (*Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, 119 [1938]).

It is thus clear that there was no basis for an injunction against plaintiff's use of "Gro" in the wholly different combination "Gropals".

POINT II.

There could be no infringement since on the undisputed facts there was no likelihood of confusion between the owners of the respective products bearing the trade-marks.

A trade-mark merely identifies the goods of the owner or authorized user of the mark.

This Court said in *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 97, with respect to a trade-mark:

> "* * * its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's *as his own.*" (Italics ours.)

Similarly, the *American Law Institute Restatement of Torts*, Sec. 728, defining infringement reads:

> "*Confusing similarity.* A designation is confusingly similar to a trade-mark or trade name under the rule stated in Sec. 717 if prospective purchasers are likely to regard it as indicating *the source identified by the trade-mark or trade name.*" (Italics ours.)

In the instant case what was involved were *retailers'* marks. The "particular trader"—the "source identified"—by these trade-marks were the retailers, Macy and Miles respectively. On the undisputed evidence it clearly appeared that there was no possible confusion between the two by the use of "Gropals" (R. 70, 73, 98).

It was admitted (a) that customers for Macy's "Gro (representation of a tree) Shoe" were very careful persons (R. 110), (b) that the names R. H. Macy and Miles always appear in close proximity to their respective marks (R. 73, 109), (c) that in six years since "Gropals" had been continuously used, Macy had not heard of a single instance where there had been confusion between goods bearing their respective marks (R. 35, 70), (d) that the trade-marked goods were sold only by the respective retail stores of R. H. Macy and Miles (R. 110), and (e) that no one would or could confuse the Macy Department Stores with the Miles Shoe Stores (R. 73, 98).

The Court of Appeals, while necessarily recognizing this, misconceived the fundamental function of a *retailer's* trade-mark, writing:

> "While it may be unlikely that the customer would confuse Macy's store with Miles, confusion as to whether the same *manufacturer* had made the goods seems to us likely." (Italics ours.)

The suggestion that the common use of "Gro" might create confusion as to who *manufactured* the shoes is without a scintilla of evidence.*

* On that theory, all the various "Gro" trademarks would be infringements of each other.

But the question of manufacturer is wholly irrelevant to the issue of infringement in this case.

Neither trade-mark represented or purported to represent any manufacturer. They identified only the respective retailers, who were the sole owners and users of the trade-marks, and who did not manufacture any shoes (R. 92, fol. 275).

There is no claim that Macy restricted use of its mark to shoes of any particular manufacturer. It was, and is, free to attach its mark to such children's shoes, sold by it, as it pleases—regardless of manufacturer.

The irrelevance of manufacturer is readily shown: If Miles had bought identical shoes from the very manufacturer that sold to Macy, would Miles have had the right to mark them "Gro (representation of a tree) Shoe"? Obviously not, for that mark represented (and was owned by) the retailer Macy, and did not indicate any manufacturer.

Once it was admitted that the difference between these marks and their method of use removed likelihood of confusion as to the *retail* source of the goods, infringement as between these two retailers' marks was necessarily negated. (See *Charles Broadway Rouss, Inc.* v. *Winchester Co.*, 300 Fed. 706, 723 [C. C. A. 2, 1924].)

Since Miles' "Gropals" has never been, and admittedly could not be, mistaken for a Macy product (R. 70, 73, 98), Macy was entitled to no additional protection.

As stated by Mr. Justice Holmes in *Prestonettes, Inc.* v. *Coty*, 264 U. S. 359 at 368:

> "A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his * * * It is not taboo."

In the words of Judge Learned Hand in *Durable Toy & Novelty Corp.* v. *J. Chein & Co.*, 133 F. 2d 853, 854, rejecting the claim that, because of registration, plaintiff had acquired a monopoly of the words "Uncle Sam" for toy banks:

> "* * * a trade-mark never really gives any property in the words themselves; all it does is to identify the 'owner' so that its use by others can be said to divert to them customers who might otherwise have bought from him."

So in *Best & Co., Inc.* v. *Miller*, 167 F. 2d 374 (C. C. A. 2, 1948), the Court affirmed a judgment denying an injunction, despite an express finding that "Liliputian Bazaar" had acquired a secondary meaning designating goods sold in plaintiff's store, and defendant thereafter marked goods of its competing store with the words "Miller's Lilliputian Shoppe". Swan, *J.*, wrote (p. 377):

> "It is true that 'Miller's Lilliputian Shoppe' makes use of the dominant word in the plaintiff's mark and substitutes a synonym for 'Bazaar', but it also contains the surname 'Miller's', and no one word of the three is emphasized more than another. While not conclusive, it is not without significance in determining the likelihood of deception of the public by the use of defendant's trade name, that no actual confusion has ever

> resulted during the many years since the business was started at the end of 1930. Furthermore, the secondary meaning which 'Liliputian Bazaar' has acquired signifies Best & Co., so that goods bearing that legend are identified as coming from its store rather than from an anonymous source or from a dealer whose name the customer may have forgotten. Cases such as *Barton* v. *Rex Oil Co.*, 29 F. 2d 474 (C. C. A. 3), where the secondary meaning denotes a product, are therefore distinguishable. With the competing stores located on opposite sides of the same street, only about 100 feet apart, and each bearing the owner's name, the likelihood that customers will be deceived into buying defendant's wares in the belief that they are the plaintiff's seems to us nil."

The undisputed facts here even more clearly support the position of Miles. "Miles Gropals" does not look like or have the same meaning as Macy's "Gro-(representation of a tree) Shoe". No Court has made any finding that "Gro" acquired any secondary meaning associating it exclusively with Macy. On the contrary, the Trial Court, on ample evidence, found that there was no likelihood of confusion between the plaintiff's and defendant's marks (R. 107, 110).

The decision of the Court of Appeals unjustifiably extends the scope of the trade-mark monopoly, not only beyond the mark as registered, but beyond anything needed to protect the trade-mark owner from the selling off of another's goods as his.

POINT III.

The Court of Appeals violated Rule 52(a) of the Rules of Civil Procedure in disregarding the fully supported findings of the Trial Court.

The Court of Appeals frankly adopted the view that it could determine *de novo* the basic issues of fact and totally disregard the findings of the Trial Court saying: "We are in as good a position as the Trial Court to determine the probability of confusion."*

This assumption by the Court of Appeals is directly contrary to the language and purpose of Rule 52(a) reading, so far as here relevant, as follows:

> "Findings of fact shall not be set aside unless *clearly* erroneous * * *." (Italics ours.)

As stated by Honorable W. D. Mitchell, Chairman of the Advisory Committee which drafted the Rules, the test as to whether findings are "clearly erroneous"

> "is whether the weight of the evidence is clearly against the findings." (*Proceedings of the Institute on Federal Rules of Civil Procedure held at Cleveland,* p. 383 [American Bar Association, 1939].)

At the *Proceedings of the Institute on Federal Rules of Civil Procedure held at New York* Mr. Mitchell

* "The issue of confusing similarity is *an issue of fact* as to the probable or actual reactions of purchasers" (*American Law Institute Restatement of Torts,* § 728, *Comment* a, p. 591).

pointed out that the Rule prohibits a *de novo* determination by the Appellate Court of the facts (p. 287):

> "* * * It is not the ancient equity rule which allowed a trial *de novo* on the facts in the appellate court—it is a limited provision—the appellate court may not set aside findings unless they are clearly erroneous or against the clear weight of the evidence."

In *Cleo Syrup Corp.* v. *Coca-Cola Co.*, 139 F. 2d 416, 417 (C. C. A. 8, 1944), cert. den. 321 U. S. 781, Judge Sanborn (p. 417) correctly indicated the scope of review under Rule 52 in a trade-mark case:

> "This Court, upon review, will not retry issues of fact or substitute its judgment with respect to such issues for that of the trial court [citing cases]. The power of a trial court to decide doubtful issues of fact is not limited to deciding them correctly [citing cases]. In a non-jury case, this Court may not set aside a finding of fact of a trial court unless there is no substantial evidence to sustain it, unless it is against the clear weight of the evidence, or unless it was induced by an erroneous view of the law."

Accord:

Rytex Co. v. *Ryan*, 126 F. 2d 952, 953 (C. C. A. 7, 1942);
Lucien Lelong, Inc. v. *Lenel, Inc.*, 181 F. 2d 3, 5 (C. C. A. 5, 1950).

In the instant case the Court of Appeals did not hold that the findings were unsupported by the clear weight of the evidence or induced by any error of law.

What the Court of Appeals did, was to assume that it was "in as good a position" as the Trial Judge to determine the issue of fact.

Nor does the circumstance that the evidence was undisputed warrant any exception to Rule 52(a). For, as stated in the *Note of the Advisory Committee* published with the Rule:

> "*It is applicable to* classes of findings in cases tried without a jury whether the finding is of a fact concerning which there was conflict of testimony or of *a fact deduced or inferred from uncontradicted testimony.*" (Italics ours.)

Honorable W. D. Mitchell, commenting on this very point, stated:

> "* * * This rule applies whether there is a conflict of evidence or whether there is a difference of opinion as to inferences that may be drawn from undisputed evidence. The notes to the rule make that clear." (*Proceedings of the Institute on Federal Rules of Civil Procedure held at Cleveland*, p. 318.)

To allow appellate courts to redetermine issues of fact despite findings amply supported by substantial evidence is to encourage appeals in every case, and to increase the number of applications for review by this Court.

In adopting Rule 52(a) this Court and the Advisory Committee were of the opinion that the trial judge was in a better position than an appellate court to draw the necessary inferences of ultimate fact, even where the evidence might be undisputed.

After all, an appellate court, reviewing numerous cases on abbreviated printed records, and hearing several appeals in one day, is not normally in a position to give the time and study to one case that is given by the trial judge. Not only is the appellate court likely to overlook important evidentiary material,* but it will lack the benefit of the atmosphere of the trial and, often, the familiarity with local conditions which properly affect the weight to be given to various items of evidence. As stated by Learned Hand, *J.*, it is the function of the trial court—not of the appellate court —"to sift the evidence, to put it into logical sequence and to make proper inferences from it." (*United States* v. *Aluminum Company of America,* 148 F. 2d 416).

The current view of the Court of Appeals for the Second Circuit that it is free to disregard the findings of the Trial Court where based upon undisputed evidence, and to decide the matter *de novo* has been expressed in several cases. For this reason it is important that the Supreme Court review this matter, if Rule 52(a) is to continue its effectiveness.

Thus, Ilsen and Hone in "*Federal Appellate Practice as Affected by the Rules of Civil Procedure*", published in "FEDERAL RULES OF CIVIL PROCEDURE WITH APPROVED AMENDMENTS" (1947 Rev. Ed., West Publishing Co.) (p. 422 footnote 240) point out regarding Rule 52(a):

> "Some courts have made a distinction between the review of cases based on oral testimony and

* Thus, for example, the Court of Appeals overlooked the undisputed evidence of *use* of the numerous "Gro" trade-marks—a fact not questioned at the trial—in drawing its erroneous conclusion that Macy's should be given a monopoly of this word.

> the review of cases based primarily on documentary evidence. In so doing, the courts apparently fell back, in reviewing the latter class of cases, to the practice in equity suits existing prior to 1912 [referring to cases]. Such holdings seem to run counter to the Note of the Advisory Committee to this Rule which states: 'It (the Rule) is applicable to classes of findings in cases tried without a jury whether the finding is of a fact concerning which there was conflict of testimony or of *a fact deduced or inferred from uncontradicted testimony.*' "

The erroneous theory of the Court of Appeals as to its power to determine *de novo* questions of confusing similarity involved a misconception of the fact finding process. Thus it said:

> "Where the question of confusing similarity is based solely on the marks themselves, this court has said that: '* * * we are in as good a position as the trial judge to determine the probability of confusion.' *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.* (2 Cir.), 137 F. 2d 955, 960."

But the question of "confusing similarity" is *not* a mere matter of comparing the marks, as the opinion itself shows.*

In the words of the *American Law Institute Restatement of Torts*, Sec. 728, *Comment b*, page 591:

> "*Comparison in juxtaposition or otherwise:*

---

* Such comparison would have required the affirmance of the Trial Court's finding that "MILES GROPALS" was not confusingly similar to "GRO- (representation of a tree) SHOES" (R. 110), for the appellate court admitted "the visual similarity * * * might not be confusing" (R. 179).

> The similarity between a designation and a trademark or trade name which it is alleged to infringe is *not determined by comparing the two in juxtaposition only.* Since it is the effect upon prospective purchasers that is important, the conditions under which they act must be considered." (Italics ours.)

This is precisely what the Trial Court did in reaching the ultimate decision of fact that "prospective purchasers using ordinary intelligence and care would not be likely to confuse plaintiff's mark with defendant's marks" (fol. 329).

Among the pertinent facts—all undisputed—were:

(1) The striking difference between Macy's composite pictorial mark and Miles' mark, the *only* similarity being the use in both of "Gro", phonetic equivalent of the descriptive word "Grow" (R. 81, 110).

PETITIONER'S MARK

GROPALS

RESPONDENT'S REGISTERED MARK

(2) The fact that in a large number of other registered marks the "Gro" had been and was being used in the apparel trade — including shoes — both before and since the registration of Macy's pictorial composite mark (Exs. 25, 26, 29, 1-A, 1-B, 1-D, 1-F, 1-G, 1-I; R. 138-169).

(3) The fact that customers for Macy's "Gro- (representation of a tree) Shoes" were intelligent and careful persons who were very particular and examined closely, as Macy's own witnesses testified (R. 110, 73, 69).

(4) The fact that shoes bearing Macy's mark were sold only through Macy's department stores, while shoes bearing the mark "Gropals" were sold only in the Miles Shoe Stores, which could not be confused (R. 110, 98).

(5) The fact that Macy's mark on its shoes, always showing the tree (R. 73) appeared "invariably in conjunction with the words R. H. Macy", and that "plaintiff's name Miles, always appeared in close proximity to its mark 'Gropals' " (R. 108-109).

(6) The fact that Macy's admitted never having heard of any instance where Miles' "Gropals", after six years of continuous use, were confused by anyone as a Macy product (R. 70, 35).

The inferences to be drawn from the foregoing undisputed facts were for the Trial Court.

The Trial Court's ultimate Finding of Fact 27—that there was no reasonable likelihood of confusion—was, we believe, *compelled* by these facts. Surely no one could say that its finding was "clearly" erroneous—contrary to the "clear" weight of the evidence or to the law. At worst it might be contended regarding the Trial Court's finding "that reasonable men could differ in making inferences from the evidence before us, and therefore the finding is *not* clearly erroneous" (Heany, *J.*, in *Occidental Life Insurance Co.* v. *Thomas,* 107 F. 2d 876, at 879).

The Court of Appeals disregarded this limited review contemplated by Rule 52(a). It instead assumed the right to substitute its own inference of fact for that of the Trial Court.

The erroneous view of the Court of Appeals that—despite Rule 52(a)—it is free to determine for itself *de novo* the ultimate issue of fact in trade-mark cases, has resulted in an inconsistency in the decisions of this Circuit. The result apparently depends upon which judges happen to be sitting at the time of review. This unjustified inconsistency has been pointed out by a judge of the Court of Appeals.

In *Triangle Publications, Inc.* v. *Rohrlich,* 167 F. 2d 969, at 981 (C. C. A. 2, 1948), Judge Frank, dissenting, wrote:

> "I think that any one reading the decision in the *Best* case (167 F. 2d 374) and the decision here, will be in considerable confusion about the doctrine of confusion in this circuit. On that ground, also, it seems to me the Supreme Court should review this decision."

This confusion will only be removed if the Court of Appeals is required to adhere to its limited review function under Rule 52(a). A reminder by the Supreme Court can only be effected by the granting of *certiorari*, so as to clarify an important question of Federal Practice.

CONCLUSION.

It is respectfully submitted that the petition for a Writ of Certiorari in this case should be granted.

EUGENE EISENMANN,
Counsel for Petitioner.

PROSKAUER ROSE GOETZ & MENDELSOHN,
Attorneys for Petitioner,
11 Broadway,
New York 4, N. Y.

EUGENE EISENMANN,
EDWARD G. ROE,
Of Counsel.

FILED
FEB 18 1953
HAROLD B. WILLEY, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1952

No. 569

MILES SHOES INCORPORATED, *Petitioner*,

v.

R. H. MACY & CO., INC., *Respondent*.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

FRANCIS C. BROWNE,
Counsel for Respondent.

THOMAS M. GREEN,
Attorney for Respondent.

WILLIAM E. SCHUYLER, JR.,
ANDREW B. BEVERIDGE,
Of Counsel.

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

INDEX.

	Page
Opinions Below	1
Jurisdiction	1
Statement of the Case	1
Relevant Statutes Involved	4
On Trade-Mark Infringement	4
On Right to Register	5
Summary of Argument	5
Petitioner's Ululation of Monopoly	5
What Constitutes Infringement	6
Regarding Rule 52(a)	6
Consistency of Court of Appeals Decision	6
Argument	7
Erroneous Findings by the Trial Court	7
Application of Federal Rule 52(a) by Court of Appeals Follows Supreme Court and is Consistent with Other Circuit Courts of Appeals	9
Court of Appeals Decision Consistent With Own Precedents	12
Source of Origin, Not Retail Outlets, Is Controlling on Question of Confusion	13
Trade-Mark Registration Does Not Constitute Monopoly	15
Collateral Attack Improperly Raised in Appellate Stages	17
Conclusion	19
Appendix	20
Cases Distinguished	20

AUTHORITIES CITED.

Table of Cases.

Alumatone Corporation v. Vita-Var Corporation, 183 F. 2d 612	25, 26, 28
Aro Equipment Corp. v. Herring-Wissler Co., 84 F. 2d 619	10
Baltimore & O. R. Co. v. Postom, U. S. App. D. C. 1949, 177 F. 2d 53	11

Page

Best & Co. v. Miller, 167 F. 2d 374 28
Boesch v. Graff, 133 U. S. 697, 10 S. Ct. 378, 33 L. Ed. 787 17
Bourjois & Co., v. Katzel, 260 U. S. 689, 43 S. Ct. 244, 67 L. Ed. 464 .....6, 16
California Packing Corp. v. Tillman & Bendel, 40 F. 2d 108, 17 CCPA 1048 25
Century Distilling Co. v. Continental Distilling Co., 106 F. 2d 486 13
Cleo Syrup Corp. v. Coca-Cola Co., 139 F. 2d 416 10
Curtis-Stephens-Embry Co., Inc. v. Pro-tek-toe Skate Stop Company, Inc., et al, 199 F. 2d 407 .....18, 20
Durable Toy and Novelty Corporation v. J. Chein & Co., Inc., et al, 133 F. 2d 853 23
Eastern Wine Corp. v. Winslow-Warren, Ltd., Inc., 2 Cir., 137 F. 2d 955 (cert. den. 320 U. S. 758, 64 S. Ct. 65) 6, 12, 24
B. F. Goodrich Company v. Hockmeyer, 40 F. 2d 99, 17 CCPA 1068 25
Gort Girls Frocks, Inc. v. Princess Pat Lingerie, Inc., 73 F. Supp. 364 (S. D. N. Y. 1947) 29
Hanover Star Milling Co. v. Metcalf, 240 U. S. 403, 36 S. Ct. 357, 60 L. Ed. 713 7
Himmel Bros. Co. v. Serrick Corp., 122 F. 2d 740 (CCA 7, 1941) 9
Hoeltke v. C. M. Kemp Mfg. Co., 80 F. 2d 912 (CCA 4, 1935) 9
Johnson v. New York, N.H. & H.R. Co., 73 S. Ct. 125 22
Kellogg Company v. National Biscuit Company, 303 U.S. 111, 59 S.Ct. 109 22
LaTouraine Coffee Co. Inc. v. Lorraine Coffee Co., Inc., 2 Cir., 157 F. 2d 115 .....7, 12
Lucien Lelong, Inc. v. Lenel, Inc., 181 F. 2d 3....10, 27, 28
R. H. Macy & Co., Inc. v. Miles Shoes Incorporated, 79 USPQ 338 2
Menendez et al v. Holt et al, 128 U.S. 514, 9 S. Ct. 143, 32 L.Ed. 526 .....7, 23
Merritt-Taylor, Inc. v. C. B. Shane Corp., 195 F. 2d 535 26
Paraffine Companies, Inc. v. McEverlast, Inc., et al, 84 F. 2d 335 10
Parfumerie Roger & Gallet v. John Wanamaker, New York, 24 F. 2d 698 (CCA 2) 26, 27

Page

Rytex Co. v. Ryan et al, 126 F. 2d 952 21
Singer Manufacturing Company v. June Manufacturing Company, 163 U.S. 169, 16 S.Ct. 1002, 41 L. Ed. 118 23
Speed Products Co. Inc. v. Tinnerman Products, Inc., (CCA 2, 1949) 179 F. 2d 778 .....7, 12
State Farm Mut. Automobile Ins. Co. v. Bonacci, C.C.A. 8th, 1940, 111 F. 2d 412 11
Tennessee Coal, Iron & R. Co. v. Muscoda Local No. 123, C.C.A. 5th, 1943, 137 F. 2d 176 11
Thaddeus Davids Co. v. Davids, 233 U.S. 461, 34 S. Ct. 648 .....6, 15
Triangle Publications, Inc. v. Rohrlich, 167 F. 2d 969 28
United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 39 S.Ct. 48, 63 L.Ed. 141 .....6, 16
United States v. Aluminum Co. of America, et al, 148 F. 2d 416 25
United States v. United States Gypsum Co. et al, 333 U.S. 364, 68 S.Ct. 525, 92 L.Ed. 746 .....6, 9, 11

TEXTBOOKS.

Barron & Holtzoff Federal Practice and Procedure.. 10
Section 728 of Restatement of Torts 12

STATUTES.

Trade-Mark Act of 1946
Section 2(d) (15 U.S.C. 1052(d)) 5
Section 13 (15 U.S.C. 1063) 2
Section 32(1) (15 U.S.C. 1114(1)) 4, 6, 13
Section 45 (15 U.S.C. 1127) 14
35 U.S.C. 63, R.S. 4915 2

IN THE

Supreme Court of the United States

OCTOBER TERM, 1952

No. 569

MILES SHOES INCORPORATED, *Petitioner,*

v.

R. H. MACY & CO., INC., *Respondent.*

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

OPINIONS BELOW

The opinion of the trial court is reported at 102 F. Supp. 977. The opinion of the United States Circuit Court of Appeals for the Second Circuit is reported at 199 F. 2d 602 (the decision of the Commissioner of Patents in the antecedent proceedings in the Patent Office is reported at 79 USPQ 338).

JURISDICTION

The jurisdictional statement set forth at pages 4 and 5 of the Petition for Writ of Certiorari is not challenged.

STATEMENT OF THE CASE

Respondent, R. H. Macy & Co., Inc., being the owner of the common law trade-marks "GRO-SHOE" and "GRO-

SOCK" for shoes and hosiery, respectively, and the owner of the registered trade-mark "GRO-SHOE", as illustrated at page 2 of the Petition for Writ of Certiorari, availed itself of the provisions of Section 13 of the Trade-Mark Act of 1946 (15 U.S.C. 1063) and opposed in the United States Patent Office an application by petitioner, Miles Shoes Incorporated, for registration of the trade-mark "GROPALS" for (inter alia) shoes and hosiery and related items. In that proceeding, the Commissioner of Patents held that the petitioner was not entitled to the registration sought (*R. H. Macy & Co., Inc.* v. *Miles Shoes Incorporated,* 79 USPQ 338, decided November 23, 1948).

Pursuant to the provisions of Revised Statutes 4915 (35 U.S.C. 63), petitioner filed, in the District Court for the Southern District of New York, a complaint (R. 2) in the nature of a bill in equity to compel the Commissioner of Patents to issue a trade-mark registration to petitioner and joined in its complaint a prayer for declaratory judgment (R. 8) that petitioner's mark "GROPALS" or "GRO PALS" for shoes does not infringe defendant's registered trade-mark "GRO-SHOE" as shown in Registration No. 192,561. Respondent answered (R. 9, 11) and counterclaimed (R. 12, 13) for infringement of its registered trade-mark "GRO-SHOE" and also counterclaimed for infringement of its common law trade-marks "GRO", "GRO-SHOE" and "GRO-SOCK".

In the pretrial order of Judge Leibell, the issues were stated as follows (R. 19, 20):

> *"The issues in the R.S. 4915 cause of action*
>
> The issues are:
>
> (1) Does the mark 'GROPALS' used upon the goods of plaintiff namely shoes, slippers and boots of leather, fabric and combinations thereof, spats, shoe findings, namely heels, inner and outer soles, uppers, tongues and toe-caps and hosiery, so nearly resemble any of the defendant's 'GRO' trademarks as to be likely to cause confusion in trade and deceive purchasers, when used concurrently with defendant's 'GRO' trademarks, or

stated otherwise, will purchasers of plaintiff's goods marked 'GROPALS' be likely to believe that they originate from the same source as defendant's goods?

(2) Is the notation 'GRO (representation of a tree) SHOE' descriptive, and was defendant entitled to registration of said notation at the date of the filing its application for registration therefor?

The issues in the declaratory judgment cause of action are

(1) Is defendant's registered trade mark 'GRO (tree) SHOE' valid?

(2) Does plaintiff's mark 'GROPALS' or 'GRO-PALS' infringe defendant's marks 'GRO (tree) SHOE' or the notation 'GRO-SOCK'?

Issues in the defendant's counterclaim

(1) Does plaintiff, by its use of the trade mark 'GROPALS' or 'GRO-PALS' on or in connection with plaintiff's goods, compete unfairly with or infringe defendant's previously adopted and registered trade mark as shown in defendant's registration number 192,561 dated December 9, 1924 (duly renewed) or defendant's previously adopted and used trade marks 'GRO-SHOE' and 'GRO-SOCK'.

(2) Is Defendant's trade mark registration number 192,561 dated December 9, 1924 (duly renewed) valid?

Dated, September 28, 1951''

Trial of these issues proceeded before Judge McGohey in the United States District Court for the Southern District of New York solely on the basis of the transcript of testimony taken in the Patent Office proceedings and the various exhibits and stipulations set forth in the record (R. 36-106). No witnesses were called by either side.

Judge McGohey's decision (102 F. Supp. 977) (R. 107) adjudged that respondent's Trade-Mark Registration No. 192,561 of the trade-mark ''GRO-SHOE'' for shoes is valid

but that petitioner's use of the mark "GROPALS" or "GRO PALS" in connection with shoes or hosiery does not infringe defendant's common law or registered trade-marks "GRO-SHOE" or "GRO-SOCK" and that petitioner is entitled to the registration of the trade-mark "GROPALS" as sought in the United States Patent Office.

From the foregoing decision of the District Court, respondent appealed to the Circuit Court of Appeals for the Second Circuit (R. 114) but petitioner did not appeal from the adjudication of validity of respondent's registered trade-mark "GRO-SHOE". Hence, the appeal involved only the question of confusing similarity of the marks. By a decision rendered November 3, 1952 (199 F. 2d 602), (R. 177) that Court reversed the District Court and granted an injunction restraining petitioner from the use of the trade-mark "GROPALS" on shoes, hosiery and related items.

RELEVANT STATUTES INVOLVED

Petitioner's right to use and right to register the mark "GROPALS" are determined by the following sections of the Trade-Mark Act of 1946:

On Trade-Mark Infringement

"Sec. 32(1). Remedies—Infringement

Any person who shall, in commerce, (a) use, without consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter

provided, except that under subsection (b) hereof the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers. (15 U.S.C. 1114(1))"

On Right to Register

"Sec. 2. Trade-marks registrable on the Principal Register

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it . . . .

"(d) Consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers: . . . ."

SUMMARY OF ARGUMENT

Petitioner's prayer for a writ of certiorari should be denied because the decision of the Court of Appeals is not in conflict with decisions of this Court or with decisions of other Courts of Appeal, nor does the Court's decision in this private controversy involve any question or interpretation of Federal law sufficiently important to warrant consideration by the Supreme Court. Contrary to Petitioner's contention, all points of the decision are fully supported by the applicable statutes as interpreted in the controlling precedents of this Court.

Petitioner's Ululation of Monopoly

A trade-mark confers no monopoly whatever in a proper sense, but is merely a symbol by which a merchant or manufacturer identifies his products and distinguishes them from the products of others to facilitate the protection of his

good will. *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 39 S. Ct. 48, 63 L. Ed. 141. The monopoly of a trade-mark, so far as it goes, deals with the delicate matter of good will that may be of great value, but is easily destroyed, and should, therefore, be protected with corresponding care. *A. Bourjois & Co.* v. *Katzel*, 260 U. S. 689, 43 S. Ct. 244, 67 L. Ed. 464.

What Constitutes Infringement

Infringement is the use of any colorable imitation of any registered mark, in connection with any goods, which is likely to cause confusion or mistake or to deceive purchasers as to the *source of origin* of the goods (15 U.S.C. 1114(1)). *Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461, 34 S. Ct. 648.

Regarding Rule 52(a)

In its decision, the United States Court of Appeals for the Second Circuit states:

> ". . . it is our opinion that the district court's conclusion was erroneous."

Thus, the presence or absence of confusing similarity is a *conclusion* based upon a comparison of the marks of the parties. There was no oral testimony where the candor and credibility could best be determined by the trial court. On the basis of the stipulated and documentary evidence, the unanimous Court of Appeals had the definite and firm conviction that a mistake had been committed, and therefore properly reversed the conclusion of the District Court. *United States* v. *United States Gypsum Co. et al.*, 333 U. S. 364, 68 S. Ct. 525, 92 L. Ed. 746.

Consistency of Court of Appeals Decision

The Court of Appeals, in granting the injunction sought by the respondent cited and followed its own precedents as set forth in *Eastern Wine Corp.* v. *Winslow-Warren, Ltd.*,

Inc.,* 2 Cir., 137 F. 2d 955 (certiorari denied 320 U. S. 758; 64 S. Ct. 65); *LaTouraine Coffee Co. Inc.* v. *Lorraine Coffee Co. Inc.*, 2 Cir., 157 F. 2d 115; and the decisions of this Court in *Menendez et al.* v. *Holt et al.*, 128 U.S. 514, 9 S. Ct. 143, 32 L. Ed. 526, and *Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403, 36 S. Ct. 357, 60 L. Ed. 713. Moreover, the decision in the present case parallels very closely the decision of the Court of Appeals in *Speed Products Co. Inc.* v. *Tinnerman Products, Inc.*, 179 F. 2d 778 (CCA 2, 1949).

ARGUMENT

Erroneous Findings by the Trial Court

The petition presented by Miles Shoes Incorporated and the brief in support thereof both conclude, without resorting to the record for substantiation, that the findings of the trial court are supported by the record before it. Actually, many of the findings of the trial court were without foundation in the record and therefore were *clearly* erroneous. While the decision of the Court of Appeals did not point out each error, the complete reversal set aside all appealed findings and conclusions of the District Court for reasons apparent from the record.

For example, the trial court, without a scintilla of evidence and contrary to the facts of record, rendered its finding 10 as follows:

> "10. Defendant's trade-mark, invariably in conjunction with the words "R. H. Macy", is always imprinted either upon the sole or the heel seat of children's shoes sold by defendant."

Advertising material (R. 33, 34, 56 and 68; Def't. Exhs. C, D and H) was introduced to show that respondent's trade-mark "GRO-SHOE" is frequently used without the notation R. H. Macy or Macy Associates and appears in

* Noted by petitioner as one of the so-called inconsistent decisions.

places other than the sole or heel seat of children's shoes sold by respondent.

The trial court also overlooked the fact that in Toledo, Ohio the trade style or trade name used by respondent is "LaSalle Koch" (R. 65) and in Atlanta, Georgia, it is "Davison-Paxson" (R. 65) and in Newark, New Jersey, it is Bamberger's" (R. 65). Therefore, respondent's trade-marks "GRO-SHOE" and "GRO-SOCK" and respondent's other "GRO' trade-marks for items of wearing apparel are sold in stores which operate as divisions of respondent corporation but actually are known to the trade and the retail purchasers under trade styles which do not include the name Macy (R. 64, 65).

Findings 22, 23 and 24 of the District Court (R. 110) are actually conclusions or ultimate facts and are not based upon any evidence or testimony of any witnesses but are merely the conclusions reached by the trial judge on the basis of a side-by-side comparison of the marks themselves.

Petitioner's contention that the Court of Appeals disregarded Rule 52(a) of the Federal Rules of Civil Procedure is ostensibly based upon that Court's statement that "it is our opinion that the district court's conclusion was erroneous" (R. 178). Thus, the Court of Appeals, upon a review of the entire record, effectually set aside as clearly erroneous purported finding of fact 27 which reads as follows:

> "27. Prospective purchasers using ordinary intelligence and care would not be likely to confuse plaintiff's mark with the defendant's mark."

As to the foregoing "finding", there was nothing in the record to support it except a mere comparison of the marks themselves and such "finding" was not based upon the testimony of witnesses or other evidentiary matter of which the trial court could be said to be a superior judge.

Application of Federal Rule 52(a) by Court of Appeals Follows Supreme Court and Is Consistent With Other Circuit Courts of Appeals

It is the contention of respondent that the Court of Appeals was clearly within its province in reversing the District Court inasmuch as the Court followed the principle enunciated by the Supreme Court in *United States* v. *United States Gypsum Company,* 68 S. Ct. 525, 333 U. S. 364, 92 L. Ed. 746, wherein it was stated:

> "It was intended, in all actions tried upon the facts without a jury, to make applicable the then prevailing equity practice. Since judicial review of findings of trial courts does not have the statutory or constitutional limitations of findings by administrative agencies or by a jury, this court may reverse findings of fact by a trial court where 'clearly erroneous'. The practice in equity prior to the present Rules of Civil Procedure was that the findings of the trial court, when dependent upon oral testimony where the candor or credibility of the witnesses would best be judged, had great weight with the appellate court. The findings were never conclusive, however. A finding is 'clearly erroneous' when although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." (Local citation 541-42)

The action taken by the Court of Appeals in the present case is consistent with that in *Himmel Bros. Co.* v. *Serrick Corp.,* 122 F. 2d 740 (CCA 7, 1941), wherein the Court of Appeals of the Seventh Circuit held that Rule 52(a) carries little, if any, weight in a case where the "findings" appear to be conclusions of law rather than findings of fact and are based upon testimony taken by deposition so the trial court is in no better position than the appellate court to judge the credibility and weight to be given to the testimony of the witnesses.

Again, in the Fourth Circuit, in *Hoeltke* v. *C. M. Kemp Mfg. Co.,* 80 F. 2d 912 (CCA 4, 1935), it was held that al-

though in equity cases the findings of the District Judge on questions of fact will not be disturbed unless in the opinion of the appellate tribunal such findings are clearly wrong, such appellate tribunal reviews the facts as well as the law, and the review is a real review and not a perfunctory approval. Under such circumstances, the finding of the District Court may be held to be persuasive but not controlling.

The Circuit Court of Appeals for the Eighth Circuit even goes so far as to say that an appeal in equity brings before the appellate court the whole record and the court is required to examine the record and consider the facts as well as the law. *Aro Equipment Corp.* v. *Herring-Wissler Co.*, 84 F. 2d 619. In petitioner's discussion of another decision of the Court of Appeals for the Eighth Circuit in *Cleo Syrup Corp.* v. *Coca-Cola Co.*, 139 F. 2d 416, it quoted the condition under which that Court will set aside the finding of the District Court but failed to include a reference to the Court's further statement that it takes that view of the evidence and the inferences deducible therefrom which is most favorable to the prior user who is seeking to protect his rights.

In the Ninth Circuit, in *Paraffine Companies, Inc.* v. *McEverlast, Inc., et al.*, 84 F. 2d 335, the Court of Appeals held that there is no presumption in favor of findings by the trial court where, as in the present case, the evidence presented was all in the form of depositions.

While the decision of the Circuit Court of Appeals for the Fifth Circuit in *Lucien Lelong, Inc.* v. *Lenel, Inc.*, 181 F. 2d 3 (Petitioner's Brief, pp. 13, 27, 35), might appear to be contrary, the opinion points out that the trial court had witnesses before it and its conclusion was supported by substantial evidence that there had been no breach of contract and therefore there was no infringement. It is believed that the comments set forth in Barron & Holtzoff Federal Practice and Procedure, Vol. II, Sec. 1132, 1133 and 1135 (pages 832, 835-842 and 849) clearly indicate the intent, purpose and operation of Federal Rule 52(a) as interpreted

by the Supreme Court and various Circuit Courts of Appeals.

Section 1132 is annotated extensively in support of the statement that appellate courts are free to draw the ultimate inferences and conclusions from the trial court's findings of fact and are free to draw ultimate inferences and conclusions which the evidentiary findings reasonably induce if the evidence is entirely documentary, or if the facts are not in dispute, or if the case was heard below on verified pleadings and affidavits.

After quoting from the decision of the Supreme Court in *United States* v. *United States Gypsum* (*supra*), Section 1133, includes the following:

> "In determining whether trial court's finding is clearly erroneous or correct, the appellate court may examine all the evidence in the record.[22]"

A discussion of the amount of evidence required to support the trial court's findings of fact or conclusions is found in Section 1135 at page 849, where it is stated:

> "Rule 52 plainly contemplates a review by the appellate court of the question whether there is substantial evidence to sustain the trial court's findings of fact.[78] Substantial evidence is not merely some evidence. It must be more than a mere scintilla. It is evidence of such quality and weight as would justify a reasonable person in drawing the inference of fact made by the court.[79]"

"[22] Upon reviewing judgment as to facts an appellate court looks first to trial court's findings and then to evidence in the record to ascertain whether findings are 'clearly erroneous'. Tennessee Coal, Iron & R. Co. v. Muscoda Local No. 123, C.C.A. 5th, 1943, 137 F. 2d 176."

"[78] State Farm Mut. Automobile Ins. Co. v. Bonacci, C.C.A. 8th, 1940, 111 F. 2d 412.

[79] Baltimore & O. R. Co. v. Postom, U.S. App. D.C. 1949, 177 F. 2d 53 and cases there cited, p. 54, n. 1. See, also, 40 Words and Phrases, 'Substantial Evidence'.

To summarize the foregoing, it appears to be the well-established rule in all circuits that the Court of Appeals may review the evidence which was before the trial court to ascertain if there is more than a mere scintilla of evidence to support the finding of the trial court. In so doing, the court is not conducting a trial *de novo* but is determining whether or not there is *substantial* evidence to support the *conclusion* reached by the trial court.

Court of Appeals Decision Consistent With Own Precedents

The trial court, in its decision (R. 107), relied upon the decision of the Circuit Court of Appeals for the Second Circuit in *Eastern Wine Corp.* v. *Winslow-Warren, Ltd., Inc.*, 137 F. 2d 955 (certiorari denied 320 U. S. 758; 64 S. Ct. 65), for the purpose of applying a test of confusing similarity and infringement in the present case. It should have come as no surprise, therefore, when the Court of Appeals, in the present case (R. 178), cited the same case as precedent in its reversal of the District Court, stating:

> "Where the question of confusing similarity is based solely on the marks themselves, this court has said that: '. . . we are in as good a position as the trial judge to determine the probability of confusion.' Eastern Wine Corp. v. Winslow-Warren, Ltd. (2 Cir.), 137 F. 2d 955, 960."

The Court of Appeals then goes on to rely upon its own prior precedent in *La Touraine Coffee Co. Inc.* v. *Lorraine Coffee Co., Inc.*, 157 F. 2d 115, and Section 728 of Restatement of Torts, to apply the well-established test of infringement based on the existence of similarity such as would be likely to cause confusion of any appreciable number of ordinary prudent purchasers as to the source of the goods. This, presumably, is the same test applied by the District Court and set forth in the *Eastern Wine* case (*supra*).

While the Court of Appeals made no reference to its decision three years earlier in *Speed Products Co., Inc.* v.

Tinnerman Products, Inc., 179 F. 2d 778, the Court's opinion and conclusion follow that case very closely. In that case, the factual situation was substantially identical with that involved in the present case. The marks involved were "SPEED NUT" and "SPEED CLIP" on the one hand and "SPEED" (superimposed on an arrow-like symbol) on the other.

As further evidence of the desire of the Court of Appeals to be consistent not only with its own decisions but to follow the Supreme Court and be consistent with decisions of other circuits, the decision of the Circuit Court of Appeals for the Third Circuit in *Century Distilling Co.* v. *Continental Distilling Co.,* 106 F. 2d 486, is relied upon by the Court of Appeals in the present case for the proposition that "one factor to be considered in this case is the decision of the Commissioner of Patents denying registration, since his familiarity in dealing with such problems may properly be accorded substantial weight." (R. 179).

Source of Origin, Not Retail Outlets, Is Controlling on Question of Confusion

It is to be noted that Section 32(1) of the Trade-Mark Act of 1946 (15 USC 1114(1)) provides that any person who uses a reproduction or imitation of a registered mark in connection with the sale or advertising of goods is liable to the registrant in a civil action if such reproduction is likely to cause confusion or mistake or deceive purchasers *as to the source of origin of such goods* (15 U.S.C. 1114(1)).

It is admitted at page 31 of petitioner's brief that neither the petitioner nor the respondent manufactures any shoes. Accordingly, it is altogether possible that the shoes sold by the petitioner and the respondent, respectively, could have been manufactured by the same producer and therefore the shoes could be of the same "source of origin". Certainly those purchasers who enter respondent's stores operating under the trade names "LaSalle-Koch," "Davison-Paxson" or "Bamberger's" may correctly assume that the "GRO-

SHOE" or "GRO-SOCK" sold in those stores emanate from the same "source of origin" as the "GRO-SHOE" or "GRO-SOCK" sold in Macy's New York. Likewise, if a confusingly similar mark is used to identify petitioner's shoes, there is likelihood of confusion in the minds of purchasers as to the "source of origin" of goods bearing petitioner's trade-mark if it is similar to the mark of respondent. Merely because no one would likely confuse Miles' STORES with Macy's STORES does not mean that purchasers of "GRO-SHOE" shoes "GRO-SOCK" hosiery, and "GROPALS" shoes and hosiery would not likely be confused as to the *source of origin* of the shoes or hosiery.

No better evidence could be had of the irrelevancy of a retailer's trade name in a trade-mark conflict than the facts of record in the present case, showing that the petitioner was originally identified by the trade name Murray M. Rosenberg, Inc., the name subsequently being changed to Miles Shoes Incorporated, and the company now being identified with the Melville Shoe Company. If the trade-mark used by the petitioner identifies only the *retail outlet* in which the goods are sold and if the mark used by the respondent identifies only the *retail outlet* through which such shoes are sold, both trade-marks will be outside the scope of the definition of a "trade-mark" as set forth in Section 45 of the Trade-Mark Act of 1946 (15 U.S.C. 1127) wherein the term is defined in the following manner:

> "*Trade-Mark.* The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others."

Accordingly, when a manufacturer uses a trade-mark to distinguish his GOODS from those manufactured by others the public is without knowledge as to the trade NAME of the manufacturer and in most instances the trade NAME is immaterial so long as the GOODS carrying the same or similar

trade-marks emanate from the same "source of origin" regardless of the retail outlets through which such goods are sold. It follows that the use of a confusingly similar trademark on IDENTICAL goods is most apt to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods even though those purchasers would not confuse the retail outlets themselves or assume that there is any connection between them.

Even prior to enactment of the Trade-Mark Act of 1946, this definition of infringement was recognized in *Thaddeus Davids Co.* v. *Davids,* 233 U. S. 461, 34 S. Ct. 648, when the court stated:

> ". . . . the reproduction, copy, or imitation which constitutes infringement must be such as is calculated to mislead the public with respect to the origin or ownership of the goods, and thus to invade the right of the registrant to the use of the name or term as a designation of his merchandise."

Trade-Mark Registration Does Not Constitute Monopoly

Petitioner attempts to wave the "red herring" of monopoly across the pages of the petition and brief in support thereof. In so doing, the petitioner fails to recognize that a trade-mark registration is merely a recognition of an *existing common law right.* The very fact that another party in another area, namely William Hahn and Company in Washington, D. C., Virginia and Maryland, uses a mark embodying the prefix "GRO-" for shoes in its own limited territory negatives petitioner's contention that the respondent has acquired or possesses "an unwarranted monopoly" of the prefix "GRO-" as a trade-mark for shoes. Actually, the present action is a typical private controversy between two parties (Macy and Miles) wherein the latecomer (Miles) attempts to capitalize on the good will of the earlier user (Macy) of a trade-mark for identical goods and in identical trading areas and in which the later user (Miles) petulantly urges that it should be permitted to infringe the

existing common law and statutory rights of the earlier user (Macy) merely because another user (Hahn) is allowed to continue a lawful course of action in its own territory. In this connection, the Court of Appeals emphasized the fact that the present action is merely a conflict between two parties when it stated (R. 180):

> ". . . . Miles sought registration of its trade mark in 1945 when it had only been using it for about three months. Why it should have chosen a mark that had long been employed by Macy and had become known to the trade instead of adopting some other means to identify its goods is hard to see unless there was a deliberate purpose to obtain some advantage from the trade which Macy had built up. It seems unlikely that Miles would have suffered any loss if it had avoided the use of a confusing symbol and we believe that it should employ some fairer means for designating its product. Even though the decision below purports to uphold defendant Macy's trade mark, it permits competition from one so much like it as effectually to destroy any vitality to the Macy mark."

Long ago (1918), the Supreme Court dispelled efforts to apply the stigma of "monopoly" to valid trade-marks. In *United Drug Co.* v. *Theodore Rectanus Co.*, 248 U. S. 90, 39 S. Ct. 48, 63 L. Ed. 141, the Court said:

> "The owner of a trade-mark may not, like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly." (Citing cases)
>
> "In truth, a trade-mark confers no monopoly whatever in a proper sense, but is merely a convenient means for facilitating the protection of one's goodwill in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold."

This comparison of trade-mark protection with the patent monopoly was again considered in *A. Bourjois & Co.*,

Inc. v. *Katzel,* 260 U. S. 689, 43 S. Ct. 244, where the Court stated:

> "... If the goods were patented in the United States a dealer who lawfully bought similar goods abroad from one who had a right to make and sell them there could not sell them in the United States. Boesch v. Graff, 133 U. S. 697, 10 Sup. Ct. 378, 33 L. Ed. 787. The monopoly in that case is more extensive, but we see no sufficient reason for holding that the monopoly of a trade-mark, so far as it goes, is less complete. It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care."

Having found that "confusion as to whether the same manufacturer had made the goods seems to us likely" (R. 179), the Court of Appeals properly protected respondent's good will by enjoining the infringement of its registered and common law trade-marks. Therefore, the decision of the Court of Appeals does not grant a "monopoly" in any word to respondent.

Collateral Attack Improperly Raised in Appellate Stages

The petitioner attempts here, as before the appellate tribunal, to make a collateral attack upon respondent's common law and statutory rights not only by the ululation of "monopoly" but also by arguing that "GRO" is a "common generic word". It will be observed that the petitioner utterly failed in its direct attack on opposer's registration of the mark "GRO-SOCK" (R. 5, 111, 113) before the trial court and no appeal was taken from the trial court's adjudication that respondent's trade-mark Registration No. 192,561 is valid. The action of the trial court in this respect completely affirmed the decisions rendered by the Patent Office tribunals where an unsuccessful direct attack was made by the petitioner on the validity of respondent's registration by way of a petition to cancel the registration. Although no appeal was taken by the petitioner on the validity

of respondent's registration, the record was unduly encumbered, at petitioner's request, by approximately forty printed pages and by more than thirty exhibits, one of which contained more than thirty items and another of which contained more than forty items, all constituting an improper and untimely collateral attack on respondent's registration and its common law rights.

The petitioner's resort to the familiar tactics of collaterally attacking the respondent's position is a tacit recognition that petitioner's position is unsound both at law and equity and forcibly emphasizes the soundness of the decision of the Court of Appeals.

Inasmuch as the validity of respondent's registration and common law rights was not before the Court of Appeals, and petitioner has made no attack on this adjudication by the District Court, petitioner's assertions are improperly included in its petition.

Petitioner's entire case before the trial court, and even his attempt to sustain the trial court's finding before the Court of Appeals, was based upon trade directory listings and third party registrations of other trade-marks. In an abortive effort to give legal effect to such matter, petitioner cites *Curtis-Stephens-Embry Co., Inc.* v. *Pro-tek-toe Skate Stop Company, Inc. et al.*, 199 F. 2d 407, for the proposition that certain trade-mark registrations relied upon by the defendant to show lack of distinctiveness of plaintiff's trade-mark were competent to show what the marks were applied to, where the registrant's place of business was, and a recital of how long before the date of application the mark had been in use. However, the quotation from that case as set forth at page 24 of petitioner's brief is taken out of context, for the next sentence of the opinion of the Court of Appeals *reversed* the trial court's finding of invalidity of the trade-mark registration involved, stating:

> "But they did not show, and there was no effort made to prove, where they had been used (other than at the place of business), whether they were in use after the dates of the registrations or had been discontinued, or how exclusive their use had been."

CONCLUSION

It is respectfully submitted that a writ of certiorari should be denied because petitioner cannot sustain its assertion of improper test of infringement, or violation of Rule 52(a) or monopoly. Furthermore, this controversy does not involve any conflict of decisions of Circuit Courts of Appeals, nor does it include any interpretation of Federal law, except to the extent it follows controlling precedents of this Court.

The present case, being a typical private controversy between two parties, involving no constitutional question or other important question of law or public policy, does not warrant further review, particularly in view of the repeated and belabored petitions for reconsideration and rehearing brought by petitioner not only in the Patent Office but all the way through the Circuit Court of Appeals.

Respectfully submitted,

FRANCIS C. BROWNE,
Counsel for Respondent

THOMAS M. GREEN,
Attorney for Respondent

WILLIAM E. SCHUYLER, JR.,
ANDREW B. BEVERIDGE,
Of Counsel

APPENDIX

Each of the cases relied upon by the petitioner in its petition and brief may be distinguished from the facts in the present case in one or more aspects. Rather than encumber respondent's main brief with a discussion of such cases, a digest thereof is set forth in this appendix.

Cases Distinguished

The cases relied upon by the petitioner, among other things, either involve different goods, different marks, or different channels of trade as between the opposing parties. Moreover, certain of the decisions relied upon are based upon factual situations where both parties have been using similar marks in connection with slightly different goods and in some cases in different territories over a long period of time. Insofar as such cases pertain to the authority of a Circuit Court of Appeals to set aside the findings of the trial court, they are cases in which the findings of the trial court were based upon oral testimony in open court or evidence other than a mere comparison of the marks themselves.

By way of collateral attack upon respondent's trade-mark registration, petitioner has cited *Curtis-Stephens-Embry Co., Inc.* v. *Pro-tek-toe Skate Stop Company, Inc. et al.*, 199 F. 2d 407. The findings of the trial court which were affirmed in that case were that the shoes in connection with which plaintiff used the trade-mark "PRO-TEK-TIV" were substantially different from the rubber shields for protecting the toes of roller skate shoes in connection with which the defendant used the trade-mark "PRO-TEK-TOE" and that defendant's goods were never sold direct to consumers whereas plaintiff's goods were all sold at wholesale to retail outlets.

Upon the evidence produced at trial the court held invalid the plaintiff's trade-mark registration under the Act of 1946, "disregarding the only expert opinion evidence offered, the presumption raised by the statute, and the defer-

ence which is usually shown the findings of the Patent Office in matters of this kind." The Court of Appeals, in reversing the trial court, said "*The evidence therefore does not support the finding of invalidity of the registration under the Act of 1946 or the finding that a secondary meaning had not been shown.*" (Emphasis respondent's)

Accordingly, the case relied upon by the petitioner is actually precedent for respondent's contention that the Court of Appeals may reverse the finding of the trial court after examining the entire evidence upon which the trial court's finding is based, for the purpose of ascertaining whether or not there is substantial evidence to support the conclusion or finding of ultimate fact by the trial court. Therefore, the steps taken by the Court of Appeals for the Second Circuit in reversing the trial court in the present case were clearly consistent with the steps taken by the Court of Appeals of the Fourth Circuit in the case relied upon by the petitioner and neither court violated the principle laid down under Federal Rule 52(a).

In *Rytex Co.* v. *Ryan et al*, 126 F. 2d 952, the trial court heard oral testimony of three witnesses, the Court of Appeals for the Seventh Circuit, in its opinion, commenting upon the testimony of two of those witnesses. The witnesses were intended to establish on behalf of the plaintiff that the defendant's use of the mark "RYNART" (the defendant's name being Ryan) infringed plaintiff's mark "RYTEX", for identical goods, under the law of the State of Illinois (the jurisdiction in which the action complained of occurred). The Appellate Court, in following the State rule, concluded that the evidence produced before the trial court failed to support the charge of trade-mark infringement or the charge of unfair competition and that the court properly dismissed the complaint. It is obvious from the facts of the cited case that the law applied was that of the State of Illinois and, moreover, it is significant to note that the Court of Appeals actually examined the evidence and testimony of the witnesses for the purpose of deter-

mining whether or not the finding of the trial court was "substantially supported" by the evidence. In so doing, the Court of Appeals for the Seventh Circuit found "not a scintilla of evidence" to support the contention of the plaintiff and therefore the finding of the trial court would not be disturbed.

The length to which the petitioner has gone to seize upon other passages which might be taken out of context to support an otherwise untenable argument is illustrated by petitioner's reliance on the decision of the Supreme Court of the United States in *Johnson* v. *New York, N.H. & H. R. Co.*, 73 S. Ct. 125. In addition to the fact that Rule 50(b) (rather than Rule 52(a)) was involved in the cited Johnson case, the question before the Supreme Court was whether or not a Court of Appeals could effectively deprive a plaintiff of a new trial by holding that the trial court should have granted plaintiff's motion for a directed verdict upon conclusion of plaintiff's case where the trial court reserved judgment on that question, and allowed the case to go to the jury, and, in effect, required the District Court to enter judgment for the defendant notwithstanding the verdict in a wrongful death action. A reading of the case discloses nothing which can have any possible effect upon petitioner's argument that the Court of Appeals may not review the evidence in determining whether or not there was substantial evidence to support the trial court's findings of ultimate fact.

In citing *Kellogg Company* v. *National Biscuit Company*, 305 U. S. 111, 59 S.Ct. 109, petitioner has misconstrued the basis of the Court's decision by contending that the mere addition of the surname "Miles" to the otherwise similar trade-mark "GROPALS" is sufficient to eliminate the likelihood of confusion with Macy's previously used and registered trade-mark "GRO-SHOE". The Kellogg case was based upon an action by the National Biscuit Company to enjoin the Kellogg Company from making a biscuit and from calling it "shredded wheat" and from using in con-

nection with the goods a mark consisting of a dish containing two biscuits submerged in milk. It is well remembered that this case was founded upon the holding in *Singer Manufacturing Company* v. *June Manufacturing Company,* 163 U. S. 169, 16 S.Ct. 1002, 41 L.Ed. 118, in that a prior patent on the article itself had expired and the name by which the article became known during the tenure of the patent passed into the public domain along with the subject matter of the patent.

In the present case, there is no patented article involved and no question of public policy arises with respect to the dedication of a name by which the goods of the parties has been previously known. Both parties are still free to use the generic words "shoes" and "socks" and "hosiery" in connection with their respective goods. The controversy in the present case arises out of petitioner's appropriation of the only significant and distinctive feature of respondent's marks "GRO-SHOE" and "GRO-SOCK". In these circumstances, infringement is not avoided by use by petitioner of its trade style "Miles" in conjunction with the mark "GROPALS". *Menendez et al* v. *Holt et al,* 123 U. S. 514, 9 S. Ct. 143, 32 L. Ed. 526.

The petitioner complains that the Court of Appeals should not reverse the holding of the trial court on a question of likelihood of confusion yet petitioner cites *Durable Toy and Novelty Corporation* v. *J. Chein & Co., Inc. et al,* 133 F. 2d 853, for the proposition that the plaintiff had acquired a "monopoly" of the words "Uncle Sam" for toy banks. The trial court enjoined the defendant from using the infringing mark but the Court of Appeals, considering the decision of the trial court to be unsupported by the evidence overturned the decision of the trial court and dismissed the complaint. In the background of the action was the matter of the mark "Uncle Sam" being a part of our national mythology and therefore the amount of secondary meaning requisite to exclusiveness of right to use was not met by the plaintiff in the eyes of the Court

of Appeals even through the trial court thought that the burden had been met.

The petitioner relies upon the decision of *Eastern Wine Corporation* v. *Winslow-Warren Ltd., Inc.,* 137 F. 2d 955 (cert. den. 320 U.S. 758, 64 S.Ct. 65) in an effort to establish an inconsistency in the decisions of the Court of Appeals for the Second Circuit. At the outset, there appears to be no more reason for granting certiorari in the present case than existed in the Eastern Wine Corporation v. Winslow-Warren Ltd. case. In that case, the plaintiff was the owner and user of the mark "CHATEAU MARTIN" and the defendant employed the mark "CHATEAU MONTAY". The goods of the parties were identical, namely wines. The plaintiff conceded that *prior* to plaintiff's adoption and use of the mark "CHATEAU MARTIN" others in France and the United States had used the preflx "CHATEAU" (meaning house or castle) and therefore did not contend that he had the exclusive right to use the word "CHATEAU" but rather contended that the defendant's use of the mark "CHATEAU MONTAY", in its entirety, would be likely to confuse purchasers. Again, it is interesting to note that the Court of Appeals reversed the District Court for the reason that the evidence produced by the plaintiff was not sufficient to support the finding of infringement by the trial court. The theory upon which the Court of Appeals acted is expressed in the comments of Judge Frank denying the petition for rehearing wherein he states:

> "We adhered to what we said in our original opinion, namely, that the use of Chateau was like the use of Hotel, and that no one would suppose that, if plaintiff had advertised a hotel under the name 'Hotel Martin', a court, at the suit of plaintiff, would enjoin a defendant from running a hotel under the name 'Hotel Montay'. That was the fundamental basis of our ruling."

In the present case, the Court of Appeals, in reviewing the evidence before the trial court, has determined that all the evidence (including respondent's Federal trade-mark registration to which a prima facie presumption of validity attaches) was sufficient to support a conclusion that the marks are so similar as to be likely to cause confusion as to the source of origin of the respective goods of the parties.

The case of *United States* v. *Aluminum Co. of America et al,* 148 F. 2d 416, cited by the petitioner, like many others cited, appears to be more in support of respondent's position than the position of petitioner. Bearing in mind that the case of United States v. Aluminum Co. of America et al was decided by a court comprising two of the three judges rendering the decision in the present case, it is significant to note the recognition by the court that it has no authority to "reconsider the whole evidence de novo, as though it had come before us in the first instance". The court was careful to point out that the trial court had heard the testimony of live witnesses and that the record consisted of more than 40,000 pages. That still does not preclude the Court of Appeals from looking to the sufficiency of the evidence upon which the conclusions of the trial court are based and reversing the decision of the trial court if sufficiency of proof is lacking.

Among the decisions cited by petitioner in support of its contentions are some decisions of the Court of Customs and Patent Appeals involving the question of registrability of trade-marks. One such case is *Alumatone Corporation* v. *Vita-Var Corporation,* 183 F. 2d 612. In that decision, the court itself pointed out:

> " * * * Our jurisdiction involves the question of the right to register, while the jurisdiction in the cases above referred to involves the right to use. California Packing Corp. v. Tillman & Bendell, 40 F. (2d) 108, 17 CCPA, Patents, 1048; B. F. Goodrich Co. v. Hockmeyer, 40 F. (2d) 99, 17 CCPA, Patents, 1068."

That Court has, therefore, indicated that the right to register and the right to use a trade-mark are not necessarily synonymous. In determining the question of registrability of trade-marks, the Court of Customs and Patent Appeals bases its decision solely on the express limitations imposed by the registration statute and the record made before the Patent Office. It has no opportunity to examine witnesses and, indeed, the procedure of the Patent Office itself provides only for examination of witnesses by deposition. The entire record in cases involving registrability is therefore based exclusively upon depositions and physical exhibits. Notwithstanding this handicap, the decisions of the Patent Office involving questions of registrability are given great weight and will be disturbed by the Court of Customs and Patent Appeals only if the conclusion is clearly contrary to the weight of the evidence or contrary to law.

On the merits, the *Alumatone* case relied upon by the petitioner involved a situation where the parties had used the marks involved concurrently over a period of ten years and an amicable settlement of a copending civil action had been consummated. The conclusion reached by the court in holding both parties to be entitled to registrations therefore was a mere recognition of an accomplished fact, namely the agreement between the parties that no confusion of origin had occurred or was likely to occur in the future.

For the reasons pointed out above, it is respectfully submitted that the case of *Merritt-Taylor, Inc.* v. *C. B. Shane Corp.*, 195 F. 2d 535, also cited by the petitioner as a decision of the Court of Customs and Patent Appeals is inapplicable to the present case.

The petitioner cites in support of the proposition that one word out of a combination of words may be used by a latecomer without infringing the mark of the earlier user, the decision of the Court of Appeals for the Second Circuit in *Parfumerie Roger & Gallet* v. *John Wanamaker, New York*, 24 F. 2d 698 (CCA 2), and in corroboration

thereof, *Lucien Lelong, Inc.* v. *Lenel, Inc.*, 181 F. 2d 3 (CCA 5). The citation of the following single passage from the former case clearly distinguishes the present situation from that involved in the Parfumerie case cited by the petitioner:

> "* * * one who uses less than that whole may perhaps infringe, but, if so, it must appear that the part he has taken identifies the owner's product *without the rest.*" (Emphasis respondent's)

Applying that principle to the present situation, the petitioner has taken the *only* part of respondent's mark which may be used as a means for distinguishing its goods from the goods of others. Thus, if the petitioner had taken merely the word "shoe" from respondent's mark "GRO-SHOE" the situation would be analogous to that in the cited case wherein the defendant, in using the marks "CHARME d'AMOUR" and "CARESSEE d'AMOUR", appropriated only the notation "-d'AMOUR" from plaintiff's marks "BOUQUET DES AMOURS" and "FLEURS D'AMOURS". Indeed, when respondent's goods are identified as "GRO-SHOE" and petitioner's identified as "GROPALS SHOES" petitioner has violated the principle set forth in the very case relied upon by him, i.e., "the part he has taken identifies the owner's product without the rest."

The case of *Lucien Lelong, Inc.* v. *Lenel, Inc.*, (supra) decided by the Court of Appeals for the Fifth Circuit and reported at 181 F. 2d 3, is not applicable to the present case since the cited case turned on a totally different set of facts, namely, a suit for breach of a previous settlement agreement arising out of use of the marks "LE-LONG" and "LENEL" and defendant's subsequent use of the mark "BELLEZA" as against plaintiff's prior registration and use of the mark "BALAIZA". In other words, there was express acquiescence on the part of the plaintiff in the cited case and the evidence produced before the trial court was insufficient to show that there had

been any violation by defendant of the settlement agreement between the plaintiff and the defendant. The Court of Appeals of the Fifth Circuit, after examining the evidence presented to the trial court, for the purpose of determining the sufficiency of the evidence to support the findings rendered by the trial court, held that such findings were not "clearly erroneous" within the meaning of Rule 52(a) and therefore affirmed the judgment of the District Court.

The petitioner appears to attach considerable significance to the dissenting opinion of Judge Frank in *Triangle Publications, Inc.* v. *Rohrlich*, 167 F. 2d 969, and in so doing also urges upon the court the decision in which Judges Swan and Frank were in the majority in *Best & Co.* v. *Miller*, 167 F. 2d 374, (Judge Clark dissenting) decided less than two weeks prior to the original decision in the Triangle Publications case. Not unlike the situation involved in the *Lelong* v. *Lenel* case and that involved before the Court of Customs and Patent Appeals in the *Alumatone Corporation* v. *Vita-Var Corporation* case, the *Best & Co.* v. *Miller* case hinged upon an acquiescence by the plaintiff in the defendant's use of the mark in question for a period of more than ten years. The burden of Judge Frank's dissent in the Triangle Publications case against the majority opinion of Judges Augustus N. Hand and Clark was that the trial court there had extended the reach of the unfair competition and trade name doctrine to the farthest extent possible and should not go beyond the precedents theretofore set with respect to confusion of origin and protection of prior users against a "free ride" being taken by a defendant. The facts in the Triangle Publications case clearly show, as in the present case, that the prior user of the mark (Triangle Publications) "Seventeen" was vigilant in the protection of its mark as used in connection with a monthly magazine devoted to the interest of girls, when it objected to the registration and use of the mark "Miss Seventeen" by the defendant as a trademark for girdles.

The inapplicability of the decisions relied upon by the petitioner is further illustrated in *Gort Girls Frocks, Inc.* v. *Princess Pat Lingerie, Inc.*, 73 F. Supp. 364 (S.D.N.Y. 1947) wherein the District Court was merely called upon to pass on a motion for preliminary injunction. On the showing made by the plaintiff, the court did not feel justified in issuing the preliminary injunction sought by the plaintiff. Indeed, the holding of the court in dismissing the motion for preliminary injunction appears to have been tempered in part by the showing made by the defendant that a portion of the mark in question, namely that portion in common to the marks of both plaintiff and defendant, was registered by others and a real question of true ownership and title to the mark was raised by the pleadings and by the assertions of the defendant in opposition to the motion for a preliminary injunction. Thus, it would be clearly improper to employ as a precedent for the present case a decision rendered by the District Court of the Southern District of New York on a motion for preliminary injunction, particularly where the motion was denied on the ground that the question of ownership in plaintiff's mark was in doubt.

Other cases cited in the petition and brief in support thereof are similarly distinguishable and, in fact, are not entitled to sufficient weight to even warrant mention.